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CENTRAL STATISTICAL COMMISSION OF AUSTRIA; ANALYSIS OF REPORT
FOR 1866.*

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The Central Statistical Commission at Vienna is composed of twenty members, appointed to it officially from among the secretaries and heads of the governmental departments, and is presided over by M. von Glauz, a counsellor in the Ministry of State.

The Commission holds monthly meetings, at which communications are read by the members, and reports presented by the Select Committees named by the Commission to investigate particular subjects; in fact, the Commission would seem to combine the functions of the Statistical Society and the Statistical Department of the Board of Trade.

The Commission publishes an annual report, and the issue for 1866 contains much valuable information.

Among the subjects of the thirty-nine memoirs and papers contained in the report, the following are of the greatest general interest.

* Read before the Statistical Society of London, Tuesday, 18th June, 1867.

The reports of the Select Committees named to prepare—A Population Table (to be based on the Census of 1861); to prepare a Statistical Handbook; to prepare a set of Questions to be filled up by the Secretaries of Legation and by Consuls, concerning the Commerce of the different countries where they reside, in the same manner as the Reports made by the Secretaries of the English Legations, and presented annually to Parliament; to consider Criminal Statistics, Railway Statistics, and the Statistics of Lunatic Asylums.

The reports on the above-mentioned subjects are very similar to the reports on the same subjects in this country.

Among the papers read before the Commission are three of great interest and value, to which a fuller notice may here be given, viz. :—

(a) A Statement of the Comparative Consumption of Articles of Food in Vienna, by Dr. Ficker.

(b) Statistics of Marriages, Births, and Deaths from 1851 to 1864, together with the prices of Wheat and Rye, by M. Schimmer, of the Bureau of Administrative Statistics.

(c) Statistics of the Losses of the Austrian Army in the Campaign against Prussia in 1866, communicated from the Ministry of War.

The information afforded by the first-named paper (a) is comprised in the following table :—

[A.]—Consumption of Food, &c., in Vienna, per Head of Population.

Article.	Amount.	1850.	1857.	1864.
Beer.....	Quarts	18·3	19·3	21·8
Wine.....	"	7·6	6·6	6·1
Meat.....	lbs.	120·6	120·6	115·1
Flour and bread.....	"	266·5	281·4	255·0
Cheese.....	"	3·1	3·3	3·0
Butter.....	"	6·3	6·8	6·7
Lard.....	"	13·2	14·7	12·8
Eggs.....	No.	99·4	98·0	81·6
Fresh fruit.....	lbs.	35·6	52·1	48·7
Firewood.....	Cubic feet	57·2	47·3	38·4
Coal.....	lbs.	191·9	252·9	476·4

It will be seen that the greatest increase has taken place in the consumption of coal and the greatest decrease in that of firewood, showing how even in Vienna coal is supplanting wood as the fuel for household use.

The nearest coal mines to Vienna are at Wolfsegg, near Gmunden, on the Western Railway, and at Leoben, near Bruck, in Styria, on the Southern Railway; Wolfsegg is about 100 miles and Leoben 120 miles from Vienna. The quality of the coal at Leoben is, however, much superior to that at Wolfsegg. Both are lignites.

Next with regard to Mr. Schimmer's paper on the Statistics of Marriages, Births, and Deaths.

His tables commence with the year 1851, which was the first year in which statistics were available from the whole of the empire.

The prices of wheat and rye are given in the table in metzen, which is equal to 13·6 gallons, so that 5 metzen make a quarter as nearly as pos-

sible; the prices have, consequently, been multiplied by 5, and the florins converted into shillings, at an exchange of 2s., so that the prices in the tables which follow are in the same form as those used in this country, viz., in shillings sterling per quarter.

The first table contains the total number of marriages in each of the fourteen years, 1851 to 1864, together with columns showing the number of those marriages which were first and second marriages respectively, and the prices of wheat and rye.

It is remarkable that the marriages follow the prices of the chief articles of food almost more accurately than they do in this country, and are consequently least in number in 1855, when wheat was at the highest, namely, 60s. 4d. per quarter. In that year it is curious to observe that the diminution caused by the high price of food took place in first and not in second marriages, the number of which is, in fact, 2,000 above the average of the fourteen years.

[B]—*Marriages in each Year from 1851 to 1864, together with the Prices of Wheat and Rye.*

Year.	Total Marriages.	Among Single Persons.	Among Widows and Widowers.	Price of Wheat, per qr.	Price of Rye, per qr.
1851.....	316,236	223,161	93,075	33s. 10d.	24s. 8d.
1852.....	297,787	216,768	81,019	38 6	31 0
1853.....	263,627	188,045	75,582	45 6	33 10
1854.....	241,799	162,789	79,010	58 1	43 8
1855.....	228,515	146,387	82,128	60 4	44 3
1856.....	295,970	199,809	96,661	54 8	36 2
1857.....	281,643	200,763	80,875	44 3	28 0
1858.....	280,558	200,205	80,353	43 2	26 2
1859.....	242,371	169,823	72,543	45 2	29 8
1860.....	289,119	210,984	78,135	43 9	30 8
1861.....	286,244	210,227	76,017	44 2	31 1
1862.....	304,188	225,221	78,967	44 6	33 8
1863.....	296,951	218,861	78,090	42 6	31 11
1864.....	285,628	212,525	73,103	37 6	25 0
Average.....	279,329	198,934	80,397	45 4	33 1

A decrease occurred in 1855, which had for its cause the cholera, and another decrease took place in 1859, which was caused by the Italian war.

The great increase in 1856 was partly caused by the cessation of the cholera, and partly by the Concordat concluded with the Pope, by which people who had been living together were compelled to marry to escape certain legal and ecclesiastical consequences.

The next table (C) contains the *marriages in each month*, with the respective proportion which each particular month bears to the annual total.

The marriages are classified among the civil and the military population and the inhabitants of the great towns, Vienna, Pesth and Prague.

[C.]—*Austrian Empire: Marriages according to Months, 1851-64.*

Civil Population.				Military population.			Popul'tn of G't Towns		
Month.	Average in 14 Years.	Daily Average of Month.	Pro- portion p. ct.	1851 to 1864.	Daily Average of Month.	Pro- portion p. ct.	1851 to 1864.	Daily Average of Month.	Pro- portion p. ct.
Jan. ..	35,797	1,155	12.6	1,274	411	11.5	5,710	184	6.9
Feb. ..	55,591	1,935	21.6	1,836	286	8.0	12,419	444	16.7
March .	7,219	233	2.5	321	184	2.9	1,961	63	2.4
April..	10,725	357	3.9	765	255	7.2	4,367	146	5.5
May ..	22,091	713	7.7	1,016	328	9.2	9,319	301	11.3
June ..	16,327	545	5.9	909	303	8.5	6,021	201	7.6
July ..	12,581	406	4.4	757	244	6.8	5,624	181	6.8
Aug. ...	11,760	379	4.1	803	259	7.3	7,155	231	8.7
Sept. ...	13,459	449	4.9	944	315	8.2	6,203	207	7.8
Oct. ..	22,451	724	7.9	934	301	8.4	7,840	253	9.5
Nov. ...	64,440	2,148	23.3	2,173	724	20.3	12,945	431	16.2
Dec. ...	3,499	113	1.2	124	40	1.1	489	16	0.6

The two remarkable diminutions in March and December arise from marriages being forbidden by the Roman Catholic Church during Lent and Advent. The greatest number of marriages take place previous to Advent, and during the Carnival previous to Lent.

The next table (D) shows the *Births and Deaths* in each year from 1851 to 1864, together with the excess of Births over Deaths, and also the mortality between Birth and five years old.

The Births show an excess in every year except 1855, when the cholera prevailed. In that year the Deaths exceeded the Births by 284,910, in fact by about as many as the Births should have exceeded the Deaths; the population was, therefore, thrown back two years.

A partial recovery took place in 1856-57, for the weaker members of the population having been carried off by the epidemic, those who remained behind were strong enough to outlive ordinary causes of mortality during the two following years.

[D.]—*Austrian Empire: Births and Deaths, 1851-64.*

Year.	Births.	Excess of Births over Deaths.	Died Under 5 Years Old.	Deaths.
1851.....	1,289,336	325,330	508,294	964,006
1852.....	1,302,240	314,147	469,982	988,093
1853.....	1,279,226	183,107	514,161	1,096,119
1854.....	1,208,853	130,965	514,673	1,177,888
1855.....	1,151,039	284,910	545,477	1,435,949
1856.....	1,245,330	243,262	456,494	1,002,068
1857.....	1,373,988	426,171	474,400	947,817
1858.....	1,364,905	328,757	520,093	1,036,148
1859.....	1,413,983	409,688	525,949	1,004,295
1860.....	1,342,992	356,064	494,613	986,928
1861.....	1,334,727	286,711	540,996	1,048,016
1862.....	1,358,116	314,713	524,436	1,043,403
1863.....	1,417,927	352,533	559,160	1,065,374
1864.....	1,426,906	326,640	550,620	1,101,266
Average.....	1,322,112	264,443	513,668	1,057,669

If the cholera year 1855 be excluded in taking the average, the figures would be 1,028,571 Deaths instead of 1,057,669. Next to 1855 the greatest mortality occurred in 1863 and 1864, the years of scarcity, in 1863, indeed, of famine in Hungary; but it is to be observed that in these years the highest comparative mortality was among young children. The Deaths among children were 37,000 above the average, at a time when the total Deaths are not very greatly in excess. On the contrary, in 1855 when the Cholera prevailed, the excessive mortality was among adults although it affected the children to some extent also.

The subjoined table (E) contains the Deaths according to months, the population being classified as before :

[E].—*Austrian Empire : Deaths according to Months.*

Month.	Civil Population.			Military Population.			In the Great Towns.		
	Average in 14 Years.	Daily Average of Month.	Pro- portion p. ct.	1851 to 1864.	Daily Average of Month.	Pro- portion p. ct.	Average of 14 yrs.	Daily Average of Month.	Pro- portion p. ct.
Jan. ..	109,085	3,519	10·0	7,595	245	7·7	2,859	92	8·3
Feb. ..	98,267	3,510	10·0	8,003	286	9·0	2,730	98	8·9
March. ..	106,252	3,427	9·8	9,407	303	9·5	2,230	104	9·4
April. ..	93,405	3,113	8·9	9,764	325	10·3	3,196	107	9·8
May ..	84,236	2,717	7·7	9,757	315	9·8	3,222	104	9·4
June ..	72,504	2,417	6·9	8,197	273	8·6	2,983	99	8·9
July ..	74,530	2,404	6·8	8,634	279	8·8	2,760	89	8·1
Aug. ..	86,503	2,790	7·9	8,304	268	8·4	2,780	90	8·1
Sept. ..	82,194	2,740	7·8	6,359	212	6·6	2,350	78	7·0
Oct. ..	80,402	2,594	7·4	5,548	179	5·6	2,412	78	7·0
Nov. ..	88,109	2,917	8·4	7,469	249	7·8	2,417	81	7·3
Dec. ..	91,106	2,939	8·4	7,841	253	7·9	2,660	86	7·8

The comparative mortality in the army and in the Great Towns is as nearly as possible the same.

The highest mortality in these two classes occurs in April, which in the army is explained by the new recruits joining at that time, and in the towns by the excessive fatality of consumption, which is much higher among the urban than the rural population.

The highest mortality among the civil population occurs in winter, and is explained by their being badly housed and overcrowded. The mortality in the army and in the great towns is not excessive in winter, on account of the better protection which they have from the elements.

The mortality decreases during the summer months in each case.

The lowest mortality shown is that among the military in September and October, or during the time when they are exercised much in the open air.

The following table (F) contains the births according to months, the population being classified as before :

[F.]—*Austrian Empire: Births, 1851-64.*

Month.	Civil Population,			Military Population.			In the Great Towns.		
	Average of 14 Years.	Daily Average of Month.	Pro-portion p. ct.	1851 to 1864.	Daily Average of Month.	Pro-portion p. ct.	Average of 14 yrs.	Daily Average of Month.	Pro-portion p. ct.
Jan. . .	134,431	4,336	8·9	1,177	38	8·5	3,252	105	8·4
Feb. . .	123,715	4,418	9·1	1,064	38	8·5	3,152	112	9·0
March. .	131,570	4,244	8·8	1,176	38	8·5	3,424	110	8·8
April. .	122,678	4,089	8·4	1,112	37·7	8·5	2,255	108	8·7
May . .	122,248	3,943	8·2	1,133	36·5	8·2	3,359	105	8·4
June. .	114,768	3,326	7·9	1,035	36·2	8·1	3,110	104	8·4
July. .	120,758	3,895	8·0	1,114	35·9	8·1	3,077	99	7·9
Aug. . .	120,558	3,889	8·0	1,161	37·4	8·4	3,068	99	7·9
Sept. .	120,193	4,006	8·3	1,133	37·8	8·5	3,031	101	8·1
Oct. . .	123,288	3,977	8·2	1,030	33·2	7·5	3,075	99	7·9
Nov. . .	121,113	4,037	8·3	1,174	39·1	8·8	3,117	104	8·4
Dec. . .	118,249	3,814	7·9	1,157	37·3	8·4	3,158	102	8·1

The highest birth-rate is shown in January and February, and the lowest in October. The cause of this can be referred to the season of the year by reckoning back nine months in order to arrive at the date of the conceptions, when it will be found that the most conceptions take place in summer, i.e., in May and June, and the fewest in February, when the cold is the greatest and has lasted the longest.

The last table (G) shows the comparative numbers of the legitimate and illegitimate births, also arranged according to months.

The percentage of illegitimate births throughout the empire is 9·5, but of these by far the greatest number occur in the large towns, for in Vienna the proportion is 50·0, in Prague 47·6, and in Pesth 35·5 per cent. of the total number of births in those cities respectively.

[G.]—*Austrian Empire: Legitimate and Illegitimate Births, 1851-64.*

Month.	Legitimate.			Illegitimate.		
	Average of 14 Years.	Daily Average of Month.	Pro-portion p. ct.	Average of 14 Years.	Daily Average of Month.	Pro-portion p. ct.
Jan.	106,162	3,420	8·8	12,756	412	9·3
Feb.	100,753	3,598	9·2	11,957	427	9·7
March	105,849	3,414	8·8	12,390	400	9·0
April	96,861	3,229	8·3	11,413	380	8·6
May	95,180	3,070	7·9	11,531	372	8·4
June.	90,177	3,006	7·7	10,562	352	8·6
July.	95,823	3,091	7·9	10,494	339	7·7
Aug.	99,596	3,213	8·2	10,139	327	7·4
Sept.	100,277	3,343	8·6	10,866	345	7·8
Oct.	102,070	3,292	8·4	10,513	340	7·7
Nov.	97,771	3,259	8·4	10,924	364	8·2
Dec.	93,673	3,022	7·8	11,335	365	8·2

The highest birth-rate is the same in both cases as in the general table, and takes place in January and February.

The concluding paper is the one communicated by the Ministry of War, and containing the statistics of the losses incurred in the war with Prussia in 1866.

The combatant strength of the army employed against Prussia was 10,932 officers, and 396,291 men; together 407,223.

The total of the Austrian army for the year 1866 was 19,538 officers and 627,098 men; together 646,636.

[H.]—*Combatant Strength of Austrian Army, 1866.*

Kind of Troops.	Officers.	Men.	Total.
Infantry.....	6,686	249,243	255,929
Rifles.....	1,118	42,871	43,989
Border infantry.....	480	16,794	17,274
Heavy cavalry.....	312	7,008	7,320
Light ".....	883	19,807	20,690
Artillery.....	513	22,245	22,758
Hospital corps.....	50	2,380	2,430
Engineers.....	334	11,458	11,792
Military train.....	556	24,485	25,041
Total.....	10,932	396,291	407,223

The number of killed, wounded, and missing of each of the above description of troops is contained in the annexed table:

[I.]—*Austrian Army, 1866: Killed, Wounded and Missing.*

Kind of Troops.	Officers.			Men.			Total.		
	Killed.	Wound'd	Missing.	Killed.	Wound'd	Missing.	Killed.	Wound'd	Missing.
Infantry.....	428	1,188	352	7,997	21,545	32,710	8,425	22,683	33,062
Rifles.....	102	192	49	1,538	3,987	6,231	1,640	4,179	6,280
Tyrolese rifles..	14	22	1	104	412	163	118	435	164
Border infantry	4	22	2	68	328	191	72	350	193
Cuirasiers . . .	10	33	23	143	205	890	158	238	913
Dragoons.....	2	6	—	26	68	65	28	74	65
Hussars.....	3	27	22	127	181	495	130	208	517
Lancers.....	7	21	10	105	202	1,013	112	223	1,028
Artillery.....	17	44	20	292	863	1,331	309	912	1,351
Hospital corps..	—	—	1	1	3	71	1	3	72
Engineers.....	—	—	1	—	3	24	—	3	25
Military train..	—	—	2	1	3	80	1	3	82
Total.....	587	1,505	483	10,407	27,865	43,264	10,994	29,310	43,747

The table below contains the number per 1,000 of the fighting strength of each of the different kinds of troops who were killed, wounded, or missing:

[K.]—*Austrian Army, 1866: Proportion per 1,000 of Casualties.*

Kind of Troops.	Officers.			Men.			Total.		
	Killed.	Wound'd	Missing.	Killed.	Wound'd	Missing.	Killed.	Wound'd	Missing.
Infantry.....	64.0	170.2	52.6	32.1	86.4	131.2	32.9	88.6	129.2
Rifles.....	103.8	191.4	44.7	38.3	102.6	149.1	40.0	104.9	146.5
Border infantry	8.3	45.8	4.2	4.0	19.5	11.4	4.2	20.3	11.2
Heavy cavalry.	32.1	105.8	73.7	21.1	29.2	127.0	21.6	32.5	124.7
Light " ..	13.6	61.2	36.2	13.0	22.8	79.4	13.0	24.4	76.0
Artillery.....	33.1	85.8	39.0	13.1	39.0	59.8	13.6	40.1	59.4
Hospital corps..	—	—	20.0	0.4	1.3	29.8	0.4	1.2	29.6
Engineers.....	—	—	3.0	—	0.3	2.1	—	0.3	2.1
Military train...	—	—	3.6	0.1	0.1	3.3	0.1	0.1	3.3
	53.7	137.7	44.2	26.3	70.2	109.2	27.0	72.0	107.4

The next and last table contains a list of the losses at the battle of Lissa (July, 1866) on board each ship:

[L].—Casualties at the Naval Battle of Lissa, July, 1866.

	Officers.			Men.		Total.		
	Killed.	Wound'd	Missing.	Killed.	Wound'd	Killed.	Wound'd	Missing.
Marines.....	..	..	..	11	16	11	16	..
<i>Iron clads—</i>								
Ferdinand Max .....	..	2	..	1	5	1	7	..
Prince Eugen.....	..	..	..	..	1	..	1	..
Drache	1	1	..	..	5	1	6	..
Salamander .....	..	2	..	..	7	..	9	..
Don Juan .....	..	..	1	1	4	1	4	1
Kaiser Max .....	..	..	..	..	3	..	3	..
<i>Sailing Liners—</i>								
Kaiser.....	1	5	..	17	31	18	36	..
Novara.....	1	2	..	5	49	6	51	..
<i>Screw Frigates—</i>								
Schwarzenburg .....	..	1	..	..	1	..	2	..
Adria .....	..	..	..	..	7	..	7	..
Donau.....	..	..	..	1	2	1	2	..
<i>Paddle Steamer—</i>								
Elizabeth .....	..	..	..	..	5	..	5	..
Total.....	3	13	1	36	136	39	149	1

The foregoing papers and tables have been selected from among a large amount of valuable statistics which have been brought together by the various members of the Central Statistical Commission with no little labor, and for which the members of the Commission deserve the consideration of statisticians in all countries.

It is exceedingly gratifying to find evidence of so much real progress in statistical organization in Austria. There is scarcely a country in Europe in which the immediate and direct value of accurate statistical data will be greater; and looking at the manner in which the Central Commission has hitherto conducted its proceedings, we are justified in expecting from its example and influence the best results.

RAILROAD EARNINGS FOR SEPTEMBER.

The gross earnings of the under-mentioned railroads for the month of September, 1866 and 1867, comparatively, and the difference (increase or decrease) between the two periods, are exhibited in the following statement:

Railroads.	1866.	1867.	Increase.	Decr'se.
Atlantic and Great Western.....	\$526,959	\$483,857	\$.....	\$43,202
Chicago and Alton	322,638	421,977	99,339	.....
Chicago and Great Eastern.....	104,546	120,495	15,949	.....
Chicago and Northwestern.....	1,000,066	1,451,284	451,298	.....
Chicago, Rock Island and Pacific	396,049	517,702	121,653	.....
Erie	1,416,101	1,444,745	28,644	.....
Illinois Central	571,348	704,894	133,546	.....
Marietta and Cincinnati.....	104,866	121,177	16,311	.....

Railroads.	1866.	1867.	Increase.	Decrease
Michigan Central	429,166	464,778	25,617	.....
Michigan Southern	429,177	486,408	57,231	.....
Milwaukee and Prairie du Chien.....	179,527	277,830	98,303	.....
Milwaukee and St. Paul.....	320,787	403,658	72,891	.....
Ohio and Mississippi	278,701	355,901	77,200	.....
Pittsburg, Fort Wayne and Chicago.....	654,925	685,067	30,142	.....
Toledo, Wabash and Western.....	340,117	382,996	33,879	.....
Western Union	84,462	126,496	42,034	.....
Total in September.....	\$7,178,435	\$8,448,865	\$1,270,430	\$.....
Total in August	6,619,650	6,973,228	353,578	.....
Total in July	5,967,856	5,754,795	.....	213,061
Total in June	6,706,446	5,815,741	.....	890,705
Total in May	6,402,287	5,907,650	.....	494,637
Total in April	5,473,127	5,812,738	339,611	.....
Total in March	5,593,523	5,639,601	46,078	.....
Total in February	4,664,525	4,798,978	134,453	.....
Total in January.....	5,378,441	5,413,437	34,996	.....
January-September, 9 months.....	\$53,984,290	\$54,565,033	\$580,743	\$.....

The gross earnings per mile of road operated for the same months of the two years are shown in the table which follows:

Railroads.	Miles of road.		Earnings.		Difference.	
	1866.	1867.	1866.	1867.	Incr.	Decr.
Atlantic & Great Western.	507	507	\$1,039	\$954	...	\$85
Chicago and Alton	280	280	1,152	1,507	355	.....
Chicago and Great Eastern.....	224	224	467	538	71	.....
Chicago and Northwestern.....	1,032	1,145	969	1,269	300	.....
Chicago, Rock Island & Pacific.....	410	410	966	1,263	297	.....
Erie.....	798	775	1,774	1,877	103	.....
Illinois Central.....	708	703	807	905	188	.....
Marletta and Cincinnati.....	251	251	419	482	63	.....
Michigan Central.....	285	285	1,506	1,631	125	.....
Michigan Southern	524	524	819	928	109	.....
Milwaukee & Prairie du Chien.....	234	234	762	1,887	425	.....
Milwaukee and St. Paul.....	275	275	1,203	1,458	255	.....
Ohio and Mississippi	340	340	820	1,046	226	.....
Pittsburg, Ft. Wayne and Chicago.....	468	468	1,399	1,463	64	.....
Toledo, Wabash and Western.....	521	521	670	735	65	.....
Western Union	177	177	477	714	237	.....
Total in September.....	7,034	7,124	\$1,020	\$1,186	\$166	\$.....
Total in August.....			941	978	37	.....
Total in July.....			848	808	...	40
Total in June.....			953	816	...	137
Total in May.....			912	829	...	83
Total in April.....			778	816	38	.....
Total in March.....			795	791	...	4
Total in February.....			662	673	10	.....
Total in January.....			764	760	...	4
January-September: 9 months.....	7,034	7,124	\$7,674	\$7,659	\$.....	\$151

The tables given above show the approximate earnings of the leading railroads in gross and per mile for the month of September, 1866 and 1867. It will be seen that in 1867 the earnings of all, except of the Atlantic and Great Western, are in excess of those for the corresponding month of the previous year, and of any past month of the current year. The causes of this change for the better are well known, and have received from us sufficient discussion in the late issues of the CHRONICLE. The chief among them, as we have already pointed out, is the large and increasing grain movement in the West; and for the purpose of the further illustration of this movement we have compiled, and here introduce the following statement showing the receipts of flour and grain at the lake ports of Chicago, Milwaukee, Toledo, Detroit and Cleveland, for the

five weeks ending with September 28, and the corresponding weeks of 1866:

Weeks ending	Flour, bbls.	Wheat, bush.	Corn, bush.	Oats, bush.	Barley, bush.	Rye, bush.
Aug. 31, 1866.....	75,741	909,664	1,944,383	233,086	31,272	57,584
1867.....	108,844	1,354,006	1,016,044	1,001,761	114,643	101,865
Sept. 7, 1866.....	90,993	742,230	1,502,298	168,358	41,831	92,489
1867.....	119,714	1,155,387	788,432	532,617	257,733	92,489
Sept. 14, 1866.....	100,765	892,617	918,442	167,816	41,382	53,136
1867.....	135,523	1,609,055	959,636	660,080	2 5,139	107,849
Sept. 21, 1866.....	137,913	1,062,391	708,374	176,880	63,823	48,494
1867.....	146,110	1,746,005	851,748	738,239	354,414	94,288
Sept. 28, 1866.....	138,608	1,157,199	463,513	134,919	98,237	38,748
1867.....	153,905	1,906,953	908,951	597,669	310,724	94,058
Total 5 weeks, 1866.....	543,320	4,764,201	5,537,015	681,059	271,645	295,394
1867.....	668,906	7,671,906	4,024,811	3,639,376	1,332,653	490,549
Decrease 1867.....	.....	.....	1,502,204	.....	.....	.....
Increase 1867.....	120,676	2,907,705	.....	2,758,217	1,061,008	195,153

This statement, however, accounts only for the trade from West to East. The Fall trade of the seaboard cities has created a like freighting movement from East to West. The total result is shown in earnings footing up in gross \$8,448,865 against the earnings in September, 1866, which amounted only to \$7,178,435—making a difference in favor of September, 1867, of \$1,270,430, or 17.69 per cent. Taking the whole mileage operated in the years respectively as the divisor, the quotient for 1866 is \$1,020, and for 1867, \$1,186—difference, \$166 per mile of road.

The results of the third quarter of the current year, compared with those of the corresponding quarter of 1866, are shown in the statement which follows:

Railroads.	Gross earnings.		Earn's p. m.		Diff'ce.
	1866	1867.	1866.	1867. Inc. Dec.	
Atlantic and Gt. Western.....	\$1,518,275	\$1,359,130	\$2,995	\$2,681	314
Chicago and Alton.....	1,031,504	1,199,603	3,084	4,284	600
Chicago and Gt. Eastern.....	297,635	296,462	1,329	1,324	5
Chicago and Northwestern.....	2,606,094	3,370,432	2,525	2,943	418
Chic., Rock Island and Pacific.....	1,007,711	1,196,602	2,458	2,918	460
Erie.....	3,919,745	3,755,081	4,912	4,845	67
Illinois Central.....	1,630,127	1,886,792	2,302	2,665	363
Marietta and Cincinnati.....	307,810	342,487	1,226	1,364	138
Michigan Central.....	1,113,797	1,176,792	3,907	4,123	221
Michigan Southern.....	1,152,077	1,223,049	2,198	2,343	145
Milwaukee and P. du Chien.....	466,588	521,134	1,993	2,237	234
Milwaukee and St. Paul.....	746,690	803,094	2,714	2,916	202
Ohio and Mississippi.....	831,417	904,065	2,446	2,660	214
Pittsburg, Ft. Wayne and Chic.....	1,855,504	1,821,869	3,965	3,896	72
Toledo, Wabash and Western.....	1,050,282	1,037,510	2,015	2,030	15
Western Union.....	230,663	233,233	1,303	1,459	156
Total 3d quarter.....	19,765,941	21,176,883	2,810	2,973	163
Total 2d quarter.....	18,531,860	17,364,129	2,642	2,462	180
Total 1st quarter.....	15,636,469	15,554,016	2,223	2,225	2
January-September, 3 qts.....	53,934,290	54,585,033	7,675	7,660	15

The improvement in the earnings for the third quarter of 1867 over those of 1866 is \$1,410,947, or 7.14 per cent. being a gain of \$163 per mile of road operated. In the second quarter there is a deficit of \$180 per mile. The first quarter showed a small gain (\$2) per mile. If we take the gross earnings for the nine months, we find a gain in the current year over the previous one of \$580,743. But the earnings of 1867 were made on increased mileage. And hence the amount per mile for

the first three shows a small decrease, the earnings having been for 1866 \$7.675 per mile, and for 1867 \$7.660 per mile, a loss in 1867 of \$15 per mile. This difference will, however, be converted into a gain by the end of October; and there is now every prospect of the current year giving even a larger return of gross earnings than its predecessor. We also anticipate much larger profits to the companies owning these railroad, as no such large sums have been taken from income for improvements, extraordinary repairs or rolling stock, as in previous years, and in many instances a greater economy has been practised in working expenditures. Several of the Western roads, however, received considerable damage by storms and floods in the early months of 1867, which undoubtedly must have used up very large sums in their restoration to a proper working condition.

RAILROAD LEGISLATION.

There is, perhaps, no part of the statute book, either in Europe or America, which has been subjected of late years to such unceasing tinkering, or which presents so varied and unsatisfactory a condition, as that portion which is devoted to the railroad system—its internal organization, and its relations to the community. There is certainly no part of the duty of legislators in modern communities which is more delicate—no part which requires more knowledge, or a more advanced spirit of progress—than that which relates to this subject; and nowhere can be found a more urgent call for reform. In France, in England, and in the United States—countries of which the several railroad systems are organized on principles diametrically opposed, and varying from the extreme system of governmental protection and control in France, through the whole range of private legislation, to what amounts to almost a free trade in railways in many parts of America—yet in all these countries the same condition of affairs has resulted, and a call for reform is heard; a demand for readjustment of interests on some basis more satisfactory than any which now exists between railroads and their proprietors and the community at large. In France and England this demand has led to the appointment of carefully selected commissions, and to the publication by them of learned and elaborate reports; and, in America, it leads to incessant legislative agitations and never-ending reports of committees, while the Anti-Monopoly Cheap Freight Railway League has recently been organized in New York, with a view to a systematic agitation and reform of the whole subject. It is not proposed in the present paper to enter into any elaborate review of the reports of the European commissions, or of the publications of the American League, but it is proposed to look in the statute-books, and to examine a few of the fundamental principles of our statute law in relation to railroads, as that law now exists, with a view to testing their value, or their accordance with either philosophical principles or the results of experience.

The whole of the existing body of the railroad law, as it stands in the statute-book, is necessarily the growth of the last forty years; yet the

principles now at the basis of that law were distinctly laid down in the crude charters granted about the year 1830. In them also may be clearly read how very vaguely the common-sense legislators of those days appreciated the new power with which they had to deal. Their imagination did not reach beyond a conviction that improved turnpikes were in process of construction; they drew their analogies from stage-coaches rather than steamboats; and the fundamental idea was improvement and not revolution. Thus, in England, the earlier charters granted followed as closely as possible the provisions which had previously been applied to canal companies. In their capacity as owners of the road, the new companies were not intended to have any monopoly or preferential use of the means of communication on their lines of railway; but, on the contrary, provision was uniformly made in the charters to enable all persons, on payment of a certain toll and under certain limitations, to enjoy the use of the road; and it was only when the anticipated improvement had developed into a general revolution that the railway companies, in order to make their undertakings remunerative, were compelled to embark in the business of common carriers, and to conduct the whole operations of their lines of road themselves. In the earliest charters of Massachusetts, likewise, granted in March, 1830, the corporation is authorized to build its road, and to collect tolls from all persons or property conveyed over it; and, to the more efficient collection of the same, it is authorized "to erect toll-houses, establish gates, appoint toll-gatherers, and demand toll upon the road, and to prescribe, by rules and regulations, conditions for the transportation of persons and property, the construction of wheels, the form of cars and carriages, the weight of loads, and all other matters and things in relation to the use of said road;" and it is further prescribed that the road may be used "by any persons who shall comply with such rules and regulations." The road, in fact, existed in the minds of the legislators of both countries, as improved turnpikes, over which, as over all other turnpikes, all persons should have a right of transportation for themselves or their goods, in their own or the company's carriages, and supplying, if need be, their own motive power, upon their compliance with certain rules and regulations.

The legislators of those days were satisfied with these plain, common-sense views, based simply on past experience. They were content to try the experiment, and to let legislation introduce itself as its influence was found to be necessary. To make easy, however, the introduction of such legislation whenever the necessity for it arose, they inserted into the charters various saving and restrictive clauses. Where, as results have shown, legislators were possessed with so wholly inadequate a conception of the interests about which they were legislating, it is at least probable that these temporary provisions made by them will not prove to have been the best possible basis of a system, and, as will be contended, the history of the railroad system has afforded no exception to the rule of probabilities in this case; yet the clauses, of the description referred to, then introduced into those early charters, have, with a few unessential alterations, continued to this day part and parcel of the fundamental railroad law. These restrictive and provisionary clauses will be found to have a strange similarity, whether examined among the Acts of Parliament or under the

appropriate headings in a volume of revised statutes. For instance, in the infancy of the system, the community was naturally anxious to secure itself against unreasonable extortion on the part of those controlling these lines of travel. This could only be done in one of two ways—either by affixing a *maximum* to the “tolls” or charges of the corporation or limiting their profits. The experience of those days afforded no basis for the regulation of “tolls” or charges, and the legislator naturally resorted to the limitation of profits. Accordingly, as early as 1828, in the Act of Parliament establishing the Liverpool and Manchester Railroad Company, there was introduced a provision for a certain abatement of charges whenever the dividends of the Company should exceed a stated percentage, which restrictive clause, the best then possible to form, has since found its way, as a principle, into almost every statute-book of the United States, and still holds its place, with, as will be contended, none but pernicious results. On this principle of legislating against possible future contingencies, Parliament has also reserved to itself the right of purchasing, on specified terms, all railroad lines, after the expiration of a certain period; the power, also, in certain contingencies, of at any time reducing the *maximum* of tolls and rates leviable, as also of passing any general railway act it may deem necessary for regulating the railway system. These very identical principles—a sort of general reserved power of meddling—can be found in many of the statute-books of America; and it is proposed, in the present paper, to examine somewhat carefully into the practical workings and effect of these provisions, with a view of ascertaining what they are really worth and what influence they exert.

For convenience of illustration, the sections of the Massachusetts statute-book providing restrictions and limitations similar to those of the English law above specified, may be taken as an example. Provisions exactly similar in all respects may be found in many other statute-books, while the most objectionable limitation of all, that assigning a *maximum* of profits, is almost universal in America; and the considerations hereafter advanced in this paper, and the conclusions arrived at, will be found applicable to every statute-book in America.

The clauses in question read as follows:

“Each corporation may establish, for its sole benefit, a toll upon all passengers and property conveyed or transported on its road, at such rates as may be determined by the directors thereof; but the Legislature may, from time to time, abate or reduce the rates of toll, according to the provisions, if any, contained in the charter of the corporation: provided that such tolls shall not, without the consent of the corporation, be so reduced as to produce with all profits less than ten per cent. a year.”—Gen. Laws, ch. 68, § 113.

“The Commonwealth may, at any time during the continuation of the charter of any corporation, after the expiration of twenty years from the opening of its road for use, purchase of the corporation its road, and all its franchise, property, rights, and privileges, by paying therefor such sum as will reimburse it the amount of capital paid in, with a net profit thereon of ten per cent. a year from the time of the payment thereof by the stockholders to the time of the purchase.”—Gen. Laws, ch. 68, § 188.

“Every act of incorporation passed after the eleventh day of March, in the year 1831, shall be subject to amendment, alteration, or repeal, at the pleasure of the Legislature.”—Gen. Laws, ch. 68, § 41.

The germs of all these provisions of the General Laws may be found in

the two first railroad charters ever granted in Massachusetts; (Massachusetts Special Laws, 1829, chaps. 94, 95.) and thus the crude legislative make-shifts of forty years ago have gradually passed unchallenged into the general and permanent law of the State. That these conditions and saving clauses go to the very foundation of the contract between the community and the corporation, cannot be denied; and, in any State in which they are in force, they cannot but constitute a leading feature of railroad corporate life. That they were originally scanned with some surprise by the eminent lawyers of Massachusetts may be inferred from an anecdote of that Jere. Mason, who Mr. Webster declared was his master at the law. That gentleman once, in the early days of railroads, upon taking his seat in a car, found himself alone in it with a leading railroad president. Mr. Mason at once called out, "Mr. —, when you get your charters from the Legislature, why don't you get a charter that means something? What makes you sign a blank sheet of paper for the Legislature hereafter to write on it whatever it pleases?" The gentleman addressed replied that he did the best he could, but did not attempt to deny that his charters were, as against the grantor, little more than sheets of unwritten paper. From that day to this, through all the phases of railroad development, these restrictions and provisions have, in some form and to some extent, remained a part of the almost universal railroad law of America—always carefully preserved and incorporated into revision after revision, with apparently a vague idea that in them was to be found some precious palladium of the public welfare. It may fairly be concluded, that, after forty years of experience, the time has come when we can fairly appreciate the value of this time-honored legislation. If its fruits justify it, let it by all means remain a part of the statute law; if, practically, it has proved an empty form and safeguard only in name, but harmless in operation, it may as well encumber the statute book of the future as of the past; if, however, as will be contended, it has not only failed to produce the beneficial results desired, but, when not wholly inoperative, has actually produced pernicious results which could not have been foreseen—if it proves to be of that order of legislation which is incorrect in principle and injurious in operation, wrong both practically and philosophically—it may then become the task of some future legislatures to carefully consider the propriety of placing our railroad legislation on some other and more correct basis.

That the three clauses in question constitute the fundamental railroad legislation of any State in which they are in force is indisputable. By them is prescribed to all builders of railroads their rates of profit, the conditions on which they hold their property, and the degree of hostile authority which can be exercised over them by others. On this very slight basis of public faith has been erected, in great part, the railroad interest as it now exists. There is no pledge of the public faith to any monopoly, either of space or time—no immunity from interference—no perpetuity of possession. The result, it must be conceded, has fully justified the confidence reposed; for the great powers reserved have rarely, if ever, been abused, and great interests have been rendered as sacred by the blank sheets of paper as they could have been by the most carefully worded contract.

Before referring to any examples of the effect of these saving and guard-

ing provisos, as they may be found in the history of railroad development, it will be well to consider what those effects might reasonably be expected to be. Under the operation of the clauses in question, corporations find themselves liable to constant legislative interference, to the deprivation of their roads after a fixed time; and finally, though they may charge such fares and freights as to them they may seem good, they cannot divide more than a given per cent. It would, therefore, most naturally occur to any one considering the probable effect of this legislation, that a time might come when it would be the great interest of certain corporations not to attract public notice or legislative interference by being too prosperous—profits might become “painfully large.” The result of such a position of affairs is apparent as it would be disastrous; that in more than one instance it has already sprung from the operation of the clauses in question, will be shown hereafter. The moment a railroad corporation earns more money than it can safely divide, it ceases to care to do anything calculated to increase its receipts; it loses its great bond of public sympathy, and becomes merely a private, dividend-paying corporation. Such a result was never contemplated by any Legislature. The analogy of highways interfered with their distinctness of vision. If a turnpike earned more tolls than it could legally divide, it was none the less open to the whole world, and whoever would pay for its use was free to use it. Whatever quantity of blood might flow through it, the artery could not be closed, nor could the volume of circulation be compressed. That railroads were to be arteries of the body politic, that they had a duty to perform to the community no less than to their proprietors, were ideas fixed firmly enough in the minds of the legislators of 1829; but that it could ever be in their power, as well as become their interest, to block up their own traffic, and reduce their own receipts, was a contingency not foreseen. Unfortunately, the legislation of (forty years ago) that time, though the most prudent which could be devised in the then existing state of knowledge, has, by remaining too long in the statute book, not only tended directly to that result, but, where not corrected by the influence of active competition, has led to that result in exactly its most disastrous form. For, as the railroad system developed itself, travel became divided into two kinds,—the local travel and the through travel. On the first depended what may be called the internal or absolute prosperity of each given community; on the latter, its external or relative importance. The internal and local traffic of Massachusetts, for instance, must depend on the conveniences afforded by its railroad system to its local trade; its relative importance to the whole external world must, in great degree, depend on the facilities and conveniences it affords for through travel in comparison with other communities. Certain great lines of railroad in every system, those known as its through lines, will always, therefore, be of great importance, and probably the most profitable. On these lines, their management and spirit, must in great degree depend the external communications, and the relative importance of each railroad system and of each railroad centre. In these days of intense activity and eager competition, it is, therefore, of the first importance to every growing community that the through lines of its railroad system should afford every facility for traffic, and should themselves be impelled by the utmost eagerness to extend their operations, and to

increase their volume of receipts. Unfortunately, the obvious and necessary operation of statutes like those now in force in Massachusetts is to bring these railroads, in the absence of competition, first of all into the paradoxical position where profits become painfully large. The railroad continues the main artery on which much of the prosperity and much of the relative importance of the community depends; but it gradually becomes the interest of the proprietor of that artery to apply some mild obstruction, with a view of checking the increase, if not diminishing the volume, of the circulation. Neither, in such case, can any fault properly be found with the management of the corporation. Its officers represent stockholders, and not the community. The community is represented by the Legislature; and, in conferring its charter upon the corporation, it inserted such provisos for its own protection as seemed to it sufficient. Acting within those provisos, and fulfilling all conditions prescribed by the community, through its representatives, for its own protection, it is difficult to see what more the officers of the corporation have to do than to guard the interests of the proprietors.

The chief tendency of a clause limiting profits would therefore seem to be, in many cases, and more especially in those on which the essential growth of the community depends, to bring into direct antagonism the interests of the community and corporation,—to put a period to the instinct of growth in the latter. In cases where this un contemplated result is not reached, it is difficult to see what operation the clause in question could have; and the natural tendency of the first of the three clauses under consideration would seem, therefore, to be always useless and often pernicious.

There remain two other clauses to be criticised,—the one prescribing the terms on which the right of the community to purchase the road shall be exercised, and the other authorizing any degree of legislative change in the conditions of the charter. The advantage secured to the State by the clause first referred to, is difficult to appreciate. If the State wishes to take possession of any railroad within its limits, it has undoubted right to do so, with or without the statute in question, which would seem simply to prescribe conditions to the exercise of the right of eminent domain. While the expediency of prescribing such conditions may fairly be questioned, the legality of so doing is not above all suspicion. That a legislature cannot bind future legislatures in the exercise of the power of eminent domain is well established law. If its exercise cannot be prohibited, it is difficult to see how it can be conditioned. If one condition upon that exercise could be imposed, others could also, and future legislatures could be deprived of a power essential to the community, by an accumulation of conditions, each one reasonable in itself. Such a dangerous limitation of the power of eminent domain is not likely for ever to pass unchallenged. But, however it may be with its legality, its expediency is certainly not above question. The cause of the insertion of this clause into the charters of forty years ago it is not now difficult to appreciate. The enterprises then set on foot were great and uncertain,—requiring a present outlay of capital, with an indefinite prospect of return. That return might be great and immediate, and the community was then thought to be sufficiently protected against excessive corporate profits by the insertion of the ten per cent. limit clause; or, on the other hand, it might be great

and remote, and, legislating for a distant future, the investor was insured against the appropriation of his property by the State at a time when, at last, it might have become valuable, by the assurance of a handsome profit before the law of eminent domain should be applied. All was then as vague and unsettled as it is now defined and established. Under these circumstances, the continuation in force, after this lapse of time, of this crude provision of the statute law seems advantageous neither to the corporation nor to the community. It may fairly be asked, why should railroad corporations now be distinguished by the insertion of this clause in their charters from all other corporations empowered to hold real estate? The right of eminent domain is of universal application. It applies to the property of private persons, no less than to that of canals, bridges, turnpikes, municipalities, water powers and manufactories; to all equally with railroads. To none, except the last, does the community insure a fixed profit on their investment, without payment of which its power shall not be exercised. In regard to all, one uniform law prevails—the simple law of compensation on the exercise of the power. No satisfactory reason can now be adduced why the same rule should not obtain in relation to railroads. That the clause in question would, by fixing in advance a price to be paid, aid the community in obtaining possession of the roads, is to the last degree unlikely. The English Commissioners report of the similar provisions of the English law, that “it would no doubt have been easier to treat” for the purchase of the roads “without any special law, than with the condition which the act imposes.” (Royal Commission on Railways, Report, 1867, cl. 75.) However this may be, if the property of a railroad corporation has increased immensely in value since the construction of their road, as has generally been the case, and the corporation has uniformly paid its dividends of ten per cent., as very few of them have, it is manifestly unjust that the State should now appropriate its property on repayment to the stockholders of the amount of their paid-in capital, which might well represent one-third, perhaps, of the existing value of the road. On the other hand, if any revolution in the railroad system made it imperative in the community to own any or all of the lines within its control, it is impossible to suppose that the right of eminent domain could be limited, and the community forced to pay to depreciated roads enormous arrears of profits which they had never earned, and the value of which their roads in no way represented. Justice to the community and justice to corporations alike require that, in such cases, the ordinary rule of compensation should apply. Such would seem to be the theoretical working of this exception to the universal law of eminent domain.

It now only remains to consider the last of the three general clauses specified—that which reserves to the legislatures a general right of alteration, amendment, and repeal over all charters granted by them, and which, of course, includes all charters granted to railroads. Few will be found to object to this clause as part of the general statute law of a State; the only question is as to its special applications. The same provision is in force in Maine; but every important railroad charter granted in that State specially provides that this reserved legislative power shall not apply to the road thereby incorporated. In the early days of the railroad system, the existence of such a proviso may have been necessary to guard

the community against the exactions and insolence of corporations; it can only be said that similar provisions have not been found necessary in many of the Western States. At present, however, the only tendency of the clause in question is, by reducing the railroad charters to blank sheets of paper, to cause continual appeals to legislatures and an ever-increased tendency to legislative meddling. In a subsequent part of this paper, some considerations will be adduced why a clause of this description should no longer find a place in any well considered railroad charter.

It is now proposed to give one or two historical examples of the operation of these clauses, hitherto discussed only in their probabilities. It is not maintained that all the results to be described are to be entirely referred to the operation of the clauses in question. Among the myriads of influences always at work, cause and effect cannot thus be legalized, and possibly the statute provisions in question may have been among the influences least potent in producing some of the results to be described. If, however, it should appear that, in certain localities where these statute provisions are in force, such results have manifested themselves as theoretically might have been anticipated from the operation of the provisos in question, it seems only fair to presume that those provisos had some perceptible influence in producing these results.

As the provisions of the Massachusetts statute-book have been cited, the example of the operation of those provisions can best be taken from the railroad history of that State. In 1831, the Legislature of Massachusetts incorporated the Boston and Worcester Railroad Corporation, and the charter of the company contained the clauses of purchase by the State, and limitation of profits, now in force. In 1833, the Western Railroad Corporation was chartered with similar condition and limitations. The general statutory clause reserving to the Legislature the power to amend, alter, or repeal all charters thereafter granted had then been already two years in force. The completion of the roads so chartered, at last opened to Massachusetts a direct communication with the West. Meanwhile other through lines had been constructed, of hardly less importance to the railroad system of the State. Chief among these was the Boston and Providence Railroad Corporation, chartered with a view of forming, by means of Long Island Sound, through steam communication between New York and Boston. These three corporations, the Boston and Worcester, the Boston and Providence, and the Western, have all been sufficiently prosperous to be brought in conflict with the statute clause for limitation of profits. Other roads might easily be named, which have been equally prosperous, and with similar results; but all the lines referred to were constructed as through lines, and it would be useless to multiply examples. The fact is that, in the history of each of the roads referred to, a time did come when their traffic became inconveniently large and dangerously profitable. With the Boston and Providence road this was to the community a matter of little moment—the road was well managed, and, more than all, it was, for its through travel, open to active competition, which in this case, if it cannot make a wrong principle right, at least prevents it from producing its full pernicious results. Though the fact that the Massachusetts community did not have to rely on this line, and this line alone, for its steam communication with New York, made the operation

of the statute in question unimportant in this case, yet that its whole tendency was most injurious to the community was very manifest. As an evidence of this, one incident can be taken from the history of the corporation. Early in the present year it was proposed to renew the steamboat connection between Boston and New York by way of Providence, and a line of steamers was established, which promised to add greatly to the traffic and revenues of the Boston and Providence Railroad. The corporation owning the steamers in question being embarrassed, asked of the Boston and Providence road a loan of its credit, offering therefor satisfactory security. It became necessary to refer the matter to a meeting of the stockholders of the road in question. At a meeting held in the spring of the present year, the expediency of loaning their credit as desired was strongly urged on the stockholders by the officers of the corporation, and the matter left for their decision. The measure, though carried by a large majority of votes, was vigorously opposed, and opposed most vigorously on the very ground of the existence of the proviso in question. It was publicly and repeatedly urged that the road was doing as well as it safely could do, that it was earning and dividing ten per cent. per annum, that the law would not permit it to divide more, and that to earn more would be to attract the attention and hostile action of the Legislature. In other words, the time-honored and carefully guarded legislation intended to protect the interests of the community was used as a powerful weapon against a natural business development, from which the community could derive good alone, and which was a part of the natural growth of that system on which the prosperity of that community depended.

In the history of the Western and Boston and Worcester Corporations, the evidence of the unfortunate influence resulting from the operation of the statute in question is more distinct. These roads have unfortunately been free from all dangerous competition between Boston and the West, and were accordingly left, undisturbed by outside pressure, a perfect subject for the operation of statutes, rendering the tenure of property insecure and limiting its profits. Few will be disposed to speak well of the results; but they speak very clearly for themselves. At the end of thirty years of successful operation, and a long succession of ten per cent. dividends, these roads found themselves with their stock at forty per cent. premium, and with large reserve funds on hands, waiting to be conveyed, somehow and in some form least likely to attract legislative notice, into the pockets of shareholders. The management of the roads had been in the meanwhile what is commonly called strictly conservative: change had been regarded with jealousy, and but little advantage had been seen to induce to a further outlay of money or exertion of enterprise. A few short extracts from public documents might illustrate this proposition. It appears from the report of a joint special committee of the Massachusetts Legislature of 1866, that so great was the indifference of the managers of one of these roads as to the increase of their western or through business, that, through a period of nineteen years, the increase of local freight was more than equal to the whole increase of its rolling stock; and yet, during nine of these years, while the two great competing lines of a neighboring State increased their through tonnage, one of them four hundred per cent. and the other three hundred per cent., the road in question increased theirs

sixty-two per cent. (Massachusetts House Docs., 1866, No. 330, p. 4.) Under these circumstances, a similar legislative committee of the succeeding year might not unnaturally report, while attempting to exonerate this road at the expense of the other, that "while no roads could be better managed than these, so far as concerns all the interests of the stockholders, yet that the just demands of the public are not, and, while the present state of things exist, cannot, be met and satisfied." (Massachusetts House Docs., 1867, No. 181, p. 5.) It is almost painful to turn from the contemplation of such moral and physical corporate calm to a consideration of the less satisfactory condition of the community, of that community which had so carefully guarded its own rights, so carefully reserved to itself a hold over private property, and carefully secured itself against paying excessive profits to private capital. Again the story is best told by extracts from official documents. "The committee were not only surprised, but amazed, by the multitude of complaints made by business men, and the large and increasing number of merchants who refuse to employ the roads (in question) because of the want of accommodation, and the high tariff charged, but prefer to send their freights by very indirect routes, the same being more economical both in time and money. . . . In addition to individual complaints, the committee found that the roads have not fostered enterprise, and invited employment, but have only increased their tonnage, and enlarged their capacity, when compelled by the demands of an already accumulated business; that they have not anticipated and provided for a growing traffic, that they might realize large or surplus profits, but have waited rather for surplus profits to enable them to make a few improvements." (City Documents, Boston, 1867, No. 22, p. 4.) In other words, after thirty years of development, both internal and external; after thirty years of constantly diminishing relative importance; after thirty years of curiously obstructed growth—the principles of untrammelled enterprise had vindicated themselves; and the too prudent community, which thought to protect itself by violating them, finds itself connected with the whole great West by a railroad of a single track, finds the Hudson only just bridged over, and its single channel of direct trade between the rest of that continent of which it is a part and the whole foreign world unprovided either with a grain elevator or with access to deep water. For years the interests of community and corporations have been clashing; for years the one has been petitioning and protesting, and the other has been promising and postponing. The long struggle has well illustrated both the value of possession as matter of law, and the power of great corporations as matter of fact. For those corporations to increase their traffic without increasing their profits, was not, from the dividend-paying point of view, desirable; to increase their profits without attracting hostile legislation was scarcely possible; those profits, as evidenced in constantly increasing surplus funds, were already dangerously large. Accordingly, the blank sheet of paper, called a charter, carried the day against the angry remonstrances of a whole business community, and the corporations went on, and seem likely still to go on, until either the whole statute basis of their corporate existence is changed, or until active competition shall lend to them that healthy impetus which the desire of gain cannot now impart, more in the spirit which would be

looked for in an Italian or Spanish corporation than in one of New England. For this result, let it again be repeated, the corporations are not responsible. They have fulfilled their contract; only, by the terms of that contract, the community, at a certain point of their development, not only deprived them of every incentive to growth, but made growth absolutely dangerous to them. Neither men nor corporations will labor of their own free will, that others may enjoy all the fruits of their labor; and, while the *sic vos non vobis* principle is rigorously applied to railroad enterprises, who can blame them if they practically reply to all remonstrances and appeals with a placid *Cui bono?* Corporations, like men, will labor unceasingly, and incessantly develop under the impetus either of necessity or gain; but to suppose, when absence of all competition deprives them of the first impulse, and force of law destroys the second, that an abstract love of the general prosperity will induce corporations, any more than men, to do double or fourfold the labor necessarily required to earn a given profit, requires an absence of common sense hardly to be found outside of the statute book.

If any weight is due to the considerations and examples which have now been advanced, it cannot well be denied that the existing railroad system, in so far as it is anywhere founded on a basis of statute law similar to that criticised, is placed in a position towards the community radically wrong. Legislative provisions, intended only for an early stage of transition, have grown into permanency: conditions adapted only to the infancy of a system remain to hamper its maturity. If the principles at the foundation of existing legislation are thus crude and unsatisfactory, either useless or pernicious, it remains only further to inquire what might now, viewed in the light of these forty years of experience, be considered as principles philosophically correct. The problem is not without its difficulty; for it is nothing less than the reconciliation of two sets of interests, now apparently wholly antagonistic—on the one hand, the railroad corporations, of which the aim naturally is to do just that amount of business, on exactly those terms, which will produce a required net profit; on the other hand, the community, whose interest lies in the greatest possible amount of traffic done at the least possible price. As yet the railroad systems of the various countries have none of them more than just entered the early stages of that period of transition which precedes maturity; and almost the first indications are wanting, as to what the ultimate phase of development may be. Such indications as are now afforded would seem to point at some indefinite future, to a system of public, central, and through routes, operated by or for the community at cost only, or very little more; but combined with elaborate networks of local and private branches, worked more or less in the mode of the existing system. It is proposed, in what remains of the present paper, simply to discuss what might be considered correct principles of legislation, on which might be brought into accord the interests of communities and corporations, and the natural development of each promoted; nor are the corporations or the communities to be discussed in any spirit of vaticination, but simply as they now exist, and probably must exist for many years to come. At the foundation of the existing Anglo-Saxon railroad system is the principle of corporate life, and from this immediately springs the conflict of public

and private interests. The simple object of the legislator, it is suggested, should be to reconcile these interests if possible, and to establish the railroad law on such a basis as will tend to the greatest possible development, both public and private.

As has already been sufficiently pointed out, the fundamental principles of most of the existing railroad legislation are insecurity to private, corporate property—uniformity of legislation for all the different members of a most complicated and diverse system—and, finally, a limitation of profits. It is now further contended that, in the existing state of our knowledge and of the railroad system, a code of railroad legislation, philosophically correct, and seeking to combine both private and public development, must be founded on principles the direct opposite of all those mentioned. The clauses containing the principles referred to were framed to guard against possible developments, and to preserve public interests from possible dangers. Forty years of experience have now done something to enlighten us as to the extent of those developments and the reality of those dangers. The whole body of railroad statistics has been created within that time. We now know, what could not have been known in 1830, for how much any road can be built, and what traffic it may expect to have when built; we know what fares and freights should be charged, and how they can best be collected; we know how large a proportion net earnings should bear to gross earnings, what will be the cost of original travel and traffic, and what proportion of additional expense is incurred by increased business. All these facts, and the myriad similar results of railroad returns, were unknown when the originals of the present charters were conferred. In these days Legislatures can do what was impossible in 1830. They can almost cast the horoscope of railroad enterprises; they can, if they see fit, tell from the very commencement where, and in how far, the interests of corporations and communities will clash, and in how far each needs to be restrained. This vast increase of knowledge should, it would seem, long since have revolutionized the railroad charters, and yet the old forms are still re-enacted year after year.

In the first place, in regard to security of property—why should not corporations now have a reasonable assurance against legislative meddling? Why should legislatures still insist on granting for charters only Mr. Mason's unwritten sheets of paper? Such caution was very well forty years ago, but experience has fully developed its worth and its meaning. Any respectable legislative committee, any body of railroad commissioners, should be able to draw up a charter which should run for twenty years, and which should yet specially reserve to legislatures only those few simple powers, apart from police and *eminent domain*, the exercise of which experience has shown not to be mischievous. These few exceptions noted—and they would be found to be very few—it is difficult to see why charters should not be granted which would insure corporations against legislative meddling during the period for which they were expressed to run. The change proposed would at once supply the mode of investment with that complete security which is the first thought of the capitalist. The principle of individual charter and contract once established, other and far more important results must necessarily follow; for, in the second place, the existing system is universal in application. Under it, by operation of general

laws, the same rule is made to apply to all railroads indiscriminately—to the through line and the local line; to the road across the prairies, the road over the mountains, or that between great cities and through manufacturing districts. No attention is paid to either facts of geography or facts of the census, to the needs of the community or the traffic in contemplation, to the cost of construction or the cost of operation. The result is that this system of legislation of necessity must, and always will, make its pressure felt just where that pressure most affects the community. It always must check the development of those lines, of which the very development shows the growth and increased requirements of the community. If this be so, it is essentially wrong. The necessity of leaving railroads in private hands as a source of profit is, at best, a necessary evil—an evil far greater than was that system of turnpikes which only of late years became insupportable, and gave way to a system of free roads. That necessary evil, however, compels us to job out, as it were, in some way into private hands a monopoly of that travel and traffic on which depends the whole material and social development of the day. The only question in the case is as to the terms on which the contract in such cases is to be made—the consideration to be paid, and the benefit to be received. This question brings the discussion at once to the third principle of existing legislation, on which all others depend, and only in connection with which can they be properly discussed.

The fundamental error of the whole system of legislation referred to has been the effort to protect the community by establishing a *maximum* of railroad profits instead of *maximum* of railroad charges. The dividends of stockholders have been regulated, and not the tariff of fares and freights; accordingly profits have depended, not on the amount of work done, but on the amount received for such as was done. The regulation of this matter was impossible forty years ago. How utterly futile all attempts at legislating on such a basis then were, will be sufficiently illustrated by an example taken from early English railway history. When, in 1823, Parliament incorporated the first of steam railroad lines, from the collieries of Darlington to the port of Stockton-on-Tees, certain parties interested in rival ports, and anxious to check the use of the line for conveying coals for shipping, and to confine it to inland traffic, procured the insertion of a clause into the charter limiting the charge for the haulage of coal to Stockton, for shipping, to one half-penny per ton per mile, while four pence per ton per mile was allowed for haulage for the inland trade. It was universally supposed that it would be impossible to carry coals at such a low rate without loss; but this rate not only turned out profitable, but formed, ultimately, the vital element in the success of the railway. Similar absurd results must have been entailed by every attempt at permanent legislation at that time. Legislators, therefore, most properly declined to commit themselves, and left the whole subject open. Now, however, all this is changed; and here, at last, may perhaps be found a substantial, philosophical basis of railroad legislation—a basis of explicit, binding, individual contract.

Every man who knows anything of railroad history knows that the development of that system has evolved certain laws of healthy existence. Railroads are constructed with definite ends in view, and to accommodate

definite classes of traffic. One enterprise looks chiefly to freight, another to passengers, a third to both combined; one is to accommodate local and another through wants; one is built through costly lands, and over deep rivers, or through lofty mountains, and another is laid between great cities, or across a flat country: each demands a system and conditions of its own. Recognising this preliminary fact, legislators and corporations should meet as fair contracting parties. On the one hand, the corporation requests a charter which shall be a binding contract for a given term of years; and, on the other, the Legislature grants such a charter, expressing fully its own conditions. The corporation agrees to do all the business of the community over the individual line proposed, whether through or local, at a specified tariff of rates; and, on these terms, the community insures the corporation against interference for a given number of years. The germ of the correct system, so far as a limit assigned to charges rather than to profits is concerned, is by no means uncommon in the statute-books of America; but it is almost invariably a part of the general legislation, and most vaguely expressed. In the State of Pennsylvania the statute reads as follows, after empowering the company to establish such rates of toll or other compensation as to the president and directors shall seem reasonable:

"Provided, however, nevertheless, that said rates of toll or motive power charges so to be established, demanded, or received, when the cars used for such conveyance or transportation are owned or furnished by others, shall not exceed two and one-half cents per mile for each passenger, three cents per mile for each ton of two thousand pounds of freight, three cents per mile for each passenger or baggage car, and two cents per mile for each burden or freight car, every four wheels being computed a car. and, in the transportation of passengers, no charge shall be made to exceed three cents per mile for through passengers, and three and one-half cents per mile for way passengers."—Purdon's Digest, p. 840, § 20.

In other States the two principles of assigning a maximum to charges and at the same time limiting profits are found side by side. Such is the case in New York. In that State the provisions already quoted from the Statute Book of Massachusetts are all in force, with the exception of the ten per cent. purchase clause, together with an additional provision that upon the roads of that State "compensation for any passenger and his ordinary baggage shall not exceed three cents a mile." The New York Central Railroad forms again an exception to this last rule, as by its organic act of consolidation it is provided that this road shall not charge for travel more than two cents a mile. This exception perfectly illustrates the crudeness of the existing legislation on this subject, and its utter disregard not less of the evidence of figures than of the teaching of experience. The New York Central is one of the most important lines, both through and local, of the whole country, and the travel upon it is either wholly inadequate or is regulated by a simple rule which pays no attention to the first principles of railroad economy—a rule which makes no discrimination as to speed or distance, which sets no value on time, and has no regard for local convenience. It is a perfectly well-established law of railroad economics, which is too frequently lost sight of by railroad reformers both at home and abroad, that speed is of the essence of railroad contracts. The rule may be stated as follows—The cost of moving

increases as the square of the velocity. Thus a speed of forty miles an hour would be four times as expensive as a speed of twenty miles, and a speed of twenty miles four times as expensive as one of ten. This fundamental principle, the basis of all European regulations, is never regarded in America. In England the average fare is higher than in France, and the average speed is greater. The Englishman, again, who travels express pays for his time, while "parliamentary" trains, so called, are provided for the poor and those who desire a slow speed at a low cost. In France, when the railroad reformers three years ago called attention to the greater average speed attained on the English lines, the director-general of the French railroads called their attention in his speech in the Corps Legislatif to the lower tariffs of the French lines, and pointedly declared that the figures of the returns proved that the reformers did indeed wish for speed, but they did not care to pay for it. Much of the American legislation stipulates for price without discrimination of speed—it in fact establishes travel on the one price system. Accordingly, if two cents a mile (which in the currency of the day may be equivalent to two farthings sterling) is a paying rate of fare for travel by express trains at thirty miles an hour on the N. Y. Central road, then, according to the rule of speed and just stated, the case of the extreme English and American railroad reformers would seem to be made out, and, at fifteen miles an hour, the same road should be able to transport passengers at less than half a cent a mile or two miles for an English farthing. If, however, as is still maintained by many, the cheapest and the slowest travel which a country no more populated than central New York can support, must, to be remunerative, return in the currency of the day at least one cent a mile, it then becomes easy to calculate how severe a burden all rapid travel must now impose on the New York Central. In any case, however, the imposing of such a condition upon charges of travel as that referred to can only result in loss and inconvenience to both corporation and community. The corporation cannot accommodate the community with slow local travel at at very low rates, because it must earn its dividends by always charging the legal average—nor will it run lightning trains for those whose time is precious, for, under the restriction of price, such trains can only net a loss. The only correct inference to be drawn from this is that legislation is worse than nothing unless it recognises facts as they exist. The fault in the case does not lie in the principle of contract regulation of traffic or in the efficacy of restriction, it lies in declaring that things radically different are just alike, and in resolutely ignoring both the results of time and the conclusions of science.

While, right or wrong in principle, the statute books of America are uniformly simple—in England, on the other hand, the system based upon limiting charges expended through long years into a mass of legislation, half public, half private, based on no principle and no knowledge, and finally culminating, after the manner of the English, in a multiplicity of conflicting acts, and a confusion worse confounded. For instance, by the charter of the Lancaster and Carlisle Railway, passed in 1844, and resembling, at great length, the old toll-boards of the turnpikes, it was minutely set forth that a "horse, mule, or ass" should not be charged at more than three pence per mile, nor a calf or pig, "or other small animal," at more

than a penny; and so on through an interminable list, beginning with "dung, compost, and all sorts of manure," and ending with "passengers and animals." The charter of this road, by the way, consisted of three hundred and eighty-one distinct clauses; and the commission of 1867 reports that, in addition to the acts of universal application, "the powers of the railway companies and the consequent rights of the public are now, scattered through three thousand one hundred acts of Parliament," and are exceedingly difficult of ascertainment. (Royal Commission on Railways. Report, 1867, § 95.) The more recent parliamentary legislation is based upon tables and a system, and is constantly approximating to correct principles. In France, the policy of the Government is not to assign a maximum of charges, but to establish fixed charges, from which all deviation is prohibited. Though even there by the side of a fixed tariff at a low rate of speed, there exists always another tariff with higher charges and a stipulated delay. The Imperial Commissioner of 1864, however, arrived in his report at conclusions strangely favoring special or discriminating rates, like the individual contracts here proposed, as the best means of developing the resources of the country. America, however, seems wholly to have ignored the results of European investigation and experience. That experience points emphatically to traffic acts but traffic acts should be divided into two parts, quite distinct—that portion which is of general applicability, and that portion which requires adaptation to particular circumstances. To the second portion, especially in America, belongs the tariff of charges. The first portion can be placed on the statute-book, in the form of a general act; but the second portion can only be reduced to general principles, which should find their place, *mutatis mutandis*, in the several charters. The only objection which could be found to this system would be its lack of uniformity. To this objection it would seem to be an obvious answer that the utmost possible lack of uniformity, provided it be based on a system, would be sweet order itself, compared with that fierce chaos which now exists, while every railroad establishes and enforces its own law.

Under the system proposed, the relative position of the parties would in all probability, at once be changed. With the corporations working at a fair, living rate of profit, not difficult of ascertainment, the now often hostile interest of community and stockholder would be reconciled, and complete development would be the interest of both. In such case, the greatest amount of service rendered would insure the largest dividends paid, and dividends of a hundred per cent a year would only represent to a community the enterprise of its own servants, and the growth of its own wealth.

But one question would remain to be provided for,—the question of the renewal of charters. Possession or control of the roads by the community would naturally be referred back, where it belongs, to the law of eminent domain. For the expiration and renewal of charters, provision could as easily be made as it now is for the expiration and renewal of copyrights. In fact, a provision could be introduced into every charter for its renewal, based on the law of ten per cent. profit. If, upon the expiration of any charter, the State should not see fit to purchase the road of its owners at a fair estimate of what it would cost to replace it in its existing condition,

without including, of course, the value of any franchise, it might then stipulate to renew the charter for a further specified period, on such terms and conditions as should be fairly estimated would not reduce the dividends below ten per cent. per annum.

Of the remainder of the railroad legislation, as it stands upon the statute books of this country, little need be said. It has mostly been the growth of time and necessity, and not unfairly represents the needs of the community. In any case, with the exception of the three provisions criticised in this paper, it stands apart from the reforms proposed. Striking out these three provisions, the whole of the remaining, existing, railroad laws could, with a few verbal alterations and omissions, be incorporated into future charters by the usual clause of reference. A large portion of the lines required at present, in the older portion of this country, are already chartered and constructed. It would, therefore only remain to substitute, as fast as possible, new charters for the old, as soon as the currency is restored to such a basis as will enable any contracting parties to enter into any agreement which is not more or less a gambling compact. Many of the existing charters already have expired, or soon will do so; but it is hardly probable that any road shrewdly managed would decline to surrender its blank sheet of paper, and receive in its place a binding charter, when its so doing would seem to be so evidently both for its own interest and for that of the community.

THE SCHOLARS AND THE PHILISTINES IN POLITICAL ECONOMY.

BY CHARLES H. CARROLL.

There is a sensible article in the *Nation* of 12th September, under the caption of "A Plea for the Uncultivated," from a correspondent who signs himself "A Philistine," which he explains to be Matthew Arnold's pseudonyme for the man of affairs—merchant, manufacturer, tradesman, artisan—whose pursuits and aims preclude high intellectual culture, as distinguished from the scholar. This Philistine maintains that the scholar falls short of the requirements of society, inasmuch as he is unable to apply his mind usefully in the direction of practical matters. "Ask him," says "Philistine," "what a dollar is and he can only tell you it is a coin. Its function, its power, the intricate yet simple laws which govern its use among men, are to him as Greek to the Philistine. Yet mistakes as to the nature of the dollar have ruined nations and almost stopped the march of civilization."

This incompetency of the scholar the *Nation* denies, and supports the denial by a list of scholars who have been the chief contributors to economical science, to which it says "the practical men" have contributed nothing. Admitting the *Nation's* statement as to the practical men to be true—and it must be generally so admitted—the question follows: What have the men of literary training done for economical science? It strikes me they have made a muddle of it. So far as their teaching is concerned, it scarcely deserves the name of a science. They not only dis-

agree as to many or most of its fundamental principles, but they misunderstand each other unaccountably. "Scholars who have sucked in Latin with their mother's milk," and made the study of language the chief discipline of their minds, seem incompetent to comprehend the language of each other when applied to political economy. For example, Buckle, who quotes authorities enough in various languages to appal an ordinary thinker with his apparent scholarship and gigantic power of comprehension, referring to the discoveries of Adam Smith in political economy, and praising him and his "Wealth of Nations" without stint, remarks—"When it was once clearly understood that gold and silver are not wealth, but are merely the representative of wealth; when men began to see that wealth itself solely consists of the value which skill and labor can add to the raw material, and that money is of no possible use to a nation except to measure and circulate their riches; when these great truths were recognised, all the old notions of the balance of trade, and the supreme importance of the precious metals, fell to the ground."

It would be difficult to crowd more error into so few words as are contained in this sentence. Adam Smith, to whom Buckle attributes the discovery that money is not wealth, expressly repudiates any such idea or any such teaching. He says—"It would be too ridiculous to go about seriously to prove that wealth does not consist in money, or in gold and silver." And who or where is the "man of affairs" that does not know the gold in his inventory, whether coined or uncoined, to be wealth, as much as the iron or wheat or anything else included therein. As to the use of money, no one cares what it is so that money is an object of commerce which commands value in exchange. No other commodity answers this requirement so precisely, promptly, and universally, as money. Value in use does not necessarily enter into consideration with respect to any commodity in the mind of a trader. Value in exchange is all that concerns him; if his commodity possesses this, intrinsically, as a final recompense, it is wealth; and, if he offers it in traffic or employs it in production it is capital, no matter what may be its absolute utility or value in use. Moreover, skill and labor are not the sole sources of value: nature co-operates with influence of soil and climate, and supplies more and better fruits and, of course, more value, with the same amount of skill and labor in one place than in another. It is the pet theory of Bastiat, another scholar, that nature works gratuitously and man cannot take pay for her service. He says she creates utility but not value—an unfounded quibble that Buckle accepts as science. Then the old heresy of the balance of trade, absurd as it undoubtedly is, seems to be yet as fresh and strong as ever; and the notion of the supreme importance of the precious metals has not fallen to the ground, but, on the contrary, attracts labor and enterprise as strongly now as ever, and it will grow yet stronger as men of business supplant the scholars in attention to economical science. In short there is not an idea in the above extract from Buckle that is, according to my apprehension, scientific truth.

The supreme importance of the precious metals is a truth fixed by the universal consent and opinion of the commercial world. Everything offered for sale in any part of the globe makes a demand for money. The seller of every other commodity must seek the particular customer who

deals in it, or wants it for special use, and he is sometimes far to seek and slow to find; but the seller of money finds a customer in the first man he meets who has any other commodity or any service to dispose of. The demand for everything else is limited and special; the demand for money is unlimited and universal. Hence the supreme importance of the precious metals, and hence Buckle's "great truths" are great nonsense, which only a scholar or a theorist would be likely to present or endorse as facts of economical science.

Gold and silver are not representatives of wealth; they represent nothing but themselves; they are substantial *value*, the product of labor and capital, which fluctuates in the market, exchanges for more of other things to-day and less to-morrow, according to supply and demand, like all other value. When employed in exchange, whether as coin or bullion, or hoarded for simply their intrinsic value, they are money; when employed with an accumulation of labor in the arts they cease to be money and are wealth for their original and artistic value combined.

The notion of money as a measure of value is of no importance except in the sense of limiting price to value, when price may be extended by a currency that is not money. Money costs labor and capital and limits price to value in equivalents costing like labor and capital, varying with supply and demand. But a currency of debt may be produced without labor or capital, and carry price beyond value into the region of fiction illimitably. In this sense only is money a measure of value, *i. e.*, as a common equivalent, since of two objects of exchange, both variable, each measures the value of the other, and it is as correct to say that a bushel of wheat measures the value of a dollar—25.8 grains of standard gold—as that a dollar measures the value of a bushel of wheat.

When a "Philistine" asks, What is a dollar? I imagine he does not intend the question to cover, as the *Nation* supposes, a knowledge of the laws which regulate the economical relations of men in civilized society, any further than they are directly concerned with money. He means to ask, I think, What is the nature of money? This is the particular problem that scholars have tortured out of science and out of common sense. Money is a simple matter of commerce that circulates by weight; but this fact is obscured by the blind and uncertain thing and term "dollar" in this country, and by other things and terms as blind in other countries. The dollar is sometimes of silver, and sometimes of gold, and sometimes of one weight and quality, and sometimes of another, according to the caprice of Government. It is always an irregular fraction of the troy ounce of one or the other metal, and Government has so often tampered with it that people have come to consider it as within the province of Government to determine what is money, and what is the value of money. It can do no such thing, but it can determine what shall be currency, and demonetizes it, as it has done to our sorrow by making it mere debt.

There is no reason in the world why money should not be weighed by the avoirdupois or troy standard, and, having the simple and well known unit, ounce, or pound, be passed from hand to hand like all other ponderable commodities of commerce. If this were done it would be difficult, if not impossible, to make men believe that a piece of paper, or a mere promise, is an ounce or pound of metal, or its equivalent, which is in effect

what they are made to believe now, by having a mysterious unit out of the regular line of notation of the customary weights employed in trade. We want coinage only to determine with ease the purity of the metal, and make a sufficient number of small pieces convenient for handling, and not with reference to the nature or value of money, which is determined by the commercial world, and is the same whether in coin of this or of any other nation, or in bars or ingots of any weight or any degree of fineness. Only the pure metal is money; the alloy in coin is of no value.

In their teachings, with respect to money, scholars are untrue to science, and they have retrograded since the establishment of the Bank of England. The abnormal functions and operations of that bank appear to have thrown the whole subject of money into confusion in their minds, and they teach an absurdity that, practically, the bank creates capital by substituting its debt for money. Adam Smith teaches, and the more modern writers follow him in teaching, that the kiting of one debt against another, as for instance the debt of the Government against the debt of the bank, produces notes which, being substituted for gold and silver, enable the country to export an equal amount of those metals at their full natural value and obtain an equivalent value of foreign merchandise in return, with a clear gain of so much capital. This is equivalent to saying that mining produces two separate capitals by one effort of labor and capital, one in raising the metals and another in parting with them; as if a miner could produce capital by digging gold and then produce as much more by merely exchanging his gold for something else! The idea is not only false, it is preposterous; yet it is taught by scholars as economical science. The fact is the precious metals thus displaced are not exported at their natural value, as they would be if so much additional metal were produced which would lower its value, of course. No more labor or capital being employed, and no more of the metals being produced to supply the export demand, that demand is unnatural and is forced upon the pre-existing stock of gold and silver, which is thus reduced without any equivalent for the reduction, by the factitious depreciation of its value through the addition and circulation of promises to pay money that was never produced. The money thus displaced is lost to the country by being paid away in so much additional price for imports. In other words, it is sold at its paper depreciation and not at its natural value.

Locke knew more of the true nature of money than Adam Smith, and Adam Smith more than John Stuart Mill. I say the scholars have *advanced backwards* on this subject. I quote from Adam Smith—"Mr. Locke remarks a distinction between money and other moveable goods. All other moveable goods, he says, are of so consumable a nature that the wealth which consists in them cannot be much depended on; and a nation which abounds in them one year may, without any exportation, but merely by their own waste and extravagance, be in great want of them the next. Money, on the contrary, is a steady friend, which, though it may travel about from hand to hand, yet if it can be kept from going out of the country is not very liable to be wasted or consumed. Gold and silver, therefore, are, according to him, the most solid and substantial part of the moveable wealth of a nation."

This is better than Adam Smith's own doctrine, which is that paper

currency which displaces gold and silver is a saving, whereas I know it to be a loss, of those metals. And Mr. Mill maintains that ordinary credits of all sorts, bills of exchange, promissory notes, book debts, &c., have the same effect upon prices and are as useful as money. He adopts Smith's bad theory, and adds this of his own, which is one degree worse. It has been exploded by the experience of this country during the last six years. Never before were general credits so limited here, in relation to capital, and never before were general prices so high. But every business man knows that an ordinary promissory note expresses or represents the ownership of capital—not money; while a bank note pretends to represent money as perfectly and as usefully as if it were a certificate of deposit, and there were no such notes in circulation uncovered by specie in the banks. Of course its representation is false.

Mr. Locke's doctrine, above stated, is essentially true, since, unless by the conquest or robbery of other nations, gold and silver must be the direct or indirect product of the industry of the country and therefore wealth, and money can only be kept from going out of the country by a sufficient supply of other circulating capital to maintain its equivalence of value with that other capital, provided always that "paper money" is not permitted in the currency. Without this element of depreciation and expulsion, the precious metals in the country are the sure accompaniment and indicator of the true sum of its wealth. And just so long as it can maintain its money at a higher value than that of other countries, it must sell goods and receive money, and, to the extent of its capital, have the advantage of them in commerce, since customers carry their money and business to the best market.

The plain truth is that money must be produced by labor, and every new dollar is new wealth, exportable when in excess, like every other increased product of labor; but promises to pay dollars may be formed into currency *ad infinitum* without any new wealth. Nothing is necessary for this purpose but to buy and sell existing commodities over and over again on credit, make notes and get them discounted at bank, and, without the slightest addition to wealth or capital, increase the bank deposits and loan by the same transaction, and increase prices accordingly. Or any two men may fly kites by exchanging notes, without buying and selling any goods at all, and convert them into currency through bank discounting. "Dollars" of moonshine, interchangeable with money, may thus be thrown into the market and keep money cheaper than merchandise for export for ever. Real money is thus depreciated and forced abroad at a loss to the capital of the country. In this way we lose our California gold.

If partisan politics could be stifled in the selection of a Secretary of the Treasury, and we could have in that officer a "man of affairs" acquainted with the true nature of money, all this might be changed. He would need the same support from Congress and his colleagues in the Cabinet that was granted to Mr. Chase. With this he could maintain the normal value of money here, and enable us to build ships and sail them, and supply cargoes, cheaper than any other people. Simply by pursuing this natural and true policy we could sweep from the seas almost the entire foreign trade of Great Britain, and command the commerce of the world. For this purpose we have ample capital, just the right sort and variety of material, and vigorous enterprise and industry.

Unequalled natural resources, which admit of great waste, push the nation forward in spite of a wretched political economy that cripples our energies with the high prices of cheap money, and throws our commerce with our money into the hands of other nations who cheapen money unnaturally, more or less, themselves, and thereby afford us an opportunity to take the lead of them in commerce. We shall avail ourselves of this opportunity when our "Philistines" take hold of political economy, study it by the light of experience, learn that paper is not gold, nor debt money, nor poverty wealth, although called "dollar" ever so fiercely and used as a medium of exchange. They must think for themselves, undeterred by the metaphysical quibbling and scholastic subtleties that obscure the subject and pass for science in the books, and they will find the right policy of the nation to be the utmost possible contraction of its currency and expansion of its capital, and that money is a most essential part of the capital which, being thus kept at the highest value, will flow into the country as freely and as irresistibly as the invisible air.

MINERAL PRODUCTIONS OF GREAT BRITAIN.

Mr. Robert Hunt, of the Museum of Practical Geology, Jermyn street, has issued his "Mineral Statistics of the United Kingdom" for the year 1866. The volume is as usual pre-faced by Sir Roderick Murchison, who draws attention to the remarkable increase in the production of coal during the past year, notwithstanding the depression in many manufactures, and especially that of iron. The produce of the collieries of the United Kingdom for 1866, is as under :

	Tons.		Tons.
Durham and Northumberland....	25 194,550	Cheshire.....	895 500
Cumberland.....	1,430,481	Shropshire.....	1,230,700
Yorkshire.....	9,714,700	Gloucestershire and Somersetshire	1,850,700
Derbyshire.....	4,560,500	Monmouthshire.....	4,445,000
Nottinghamshire.....	1,606,560	South Wales.....	9,376,443
Leicestershire.....	866,560	North Wales.....	2,082,000
Warwickshire.....	775,000	Scotland.....	12,625,000
Staffordshire and Worcestershire.	12,298,380	Ireland.....	123,750
Lancashire.....	12,320,500		
Total.....			11,680,544

The estimated value of that coal is £25,407,635. This gives an increase of 3,479,957 tons in 1866 over the production of the previous year, and Mr. Hunt justly remarks that this regularly continued increase in the quantity of coals raised from the collieries of the United Kingdom is a remarkable feature of the year 1866. It must be remembered that the year was marked by great commercial disturbances, and that several kinds of manufacture, and that of iron especially, were suffering from a severe depression. In 1856 there were 2,815 collieries in England and Wales, and in 1866 there were 3,188. The quantity of iron ore produced in this country last year was 9,665,012 tons, about 300,000 tons less than the quantity returned in 1855. In the same period the quantity of pig iron made was 4,530,051 tons, or 289,203 tons less than the production of our blast furnaces in the previous year. The estimated value of iron ore raised in the United Kingdom amounted to £3,119,098 19s. 6d. Foreign ore imported, 56,680 tons; custom house value, £49,081; making a total quantity of 9,721,701 tons converted into iron. The number of furnaces in blast were 618. Pig iron produced: In England, 2,576,928 tons; in Wales, 959,123 tons; in Scotland, 994,000 tons. Total production of pig iron in Great Britain 4,530,051 tons. This quantity, estimated at the mean average cost at the place of production, would have a value of £11,309,742.

THE NATIONAL BANKS—THEIR CONDITION OCTOBER, 1867.

In consequence of the general interest with which the quarterly statements of the National Banks are looked for by the public, the official tables have been issued by the Comptroller of the Currency more promptly than usual, and we are able to publish them in full this month. The first tables we give are the returns of the Banks of the chief cities as follows:

RESOURCES.

	New York.	Boston.	Philadelphia.	Baltimore.	Albany.	Cincinnati.	Chicago.	St. Louis.	Pittsburgh.
Loans and Discounts.....	150,693,917 66	60,718,172 53	35,214,002 85	14,542,851 32	6,638,066 47	6,362,612 66	9,284,763 24	8,470,379 09	12,293,781 11
Overdrafts.....	174,165 65	7,641 90	10,979 29	.....	.....	.....	.....	.....	.....
U. S. bonds deposited to secure circulation.....	42,375,800 00	22,006,350 00	13,128,000 00	8,007,500 00	2,492,100 00	3,768,000 00	4,631,400 00	3,343,200 00	7,077,000 00
U. S. bonds and securities deposited to secure depositors.....	4,924,000 00	1,900,000 00	1,883,400 00	800,000 00	200,000 00	2,297,500 00	511,650 00	485,000 00	600,000 00
U. S. Bonds and Securities on hand.....	14,690,243 76	3,062,850 00	2,516,870 00	121,600 00	497,200 00	456,250 00	339,750 00	472,350 00	310,800 00
Other Stocks, Bonds & Mortgages.....	6,134,013 99	795,650 00	1,646,655 44	499,991 42	1,221,700 01	5,500 00	73,290 00	1,234,969 03	89,397 85
Due from National Banks.....	9,654,928 02	9,742,493 23	3,531,221 76	2,019,841 68	3,174,389 83	898,425 32	2,535,648 03	1,024,568 54	1,811,420 73
Due from other banks and bankers.....	2,666,699 47	90,110 92	525,228 30	138,642 00	98,442 00	144,350 71	171,450 73	153,479 20	68,470 84
Banking House.....	5,583,328 35	1,380,434 47	1,171,406 17	.....	.....	.....	.....	.....	.....
Other Real Estate.....	302,442 34	20,912 33	108,064 80	573,993 83	240,303 82	142,471 82	51,267 59	347,203 05	497,356 26
Furniture and Fixtures.....	76,283 02	.....	35,719 81	.....	.....	.....	.....	.....	.....
Current Expenses.....	1,925,256 94	32,935 99	416,884 39	144,747 94	3,530 71	107,642 40	101,598 33	88,163 17	153,076 82
Premiums.....	987,248 51	45,964 92	269,546 12	90,853 01	14,596 05	.....	83,537 05	92,439 21	63,248 30
Exchanges for Clearing House.....	102,870,864 65	6,159,719 87	5,480,022 86	844,711 35	1,201,839 00	217,005 58	2,534,694 19	380,899 30	473,052 09
Checks and other cash items.....	5,488,932 51	531,547 96	149,971 73	310,653 00	120,413 00	235,608 00	31,445 00	240,974 00	168,091 00
Bills of National Banks.....	1,990,411 00	916,237 00	506,688 00	410,683 00	31,257 00	1,990 00	.....	15,490 00	5,183 00
Bills of other Banks.....	20,598 00	8,686 00	12,958 00	4,593 00	.....	.....	.....	.....	.....
Specie.....	7,261,588 00	617,364 80	235,294 67	305,286 68	20,393 53	32,470 46	4,546 95	101,660 40	56,423 89
Fractional Currency.....	23,197 64	108,380 91	165,547 15	.....	.....	.....	.....	.....	.....
Legal Tender Notes.....	33,538,297 00	8,298,166 00	11,017,508 00	2,919,003 96	749,904 43	1,375,993 13	2,778,383 91	1,498,760 70	2,324,903 08
Compound Interest Notes.....	20,371,373 00	5,492,590 00	4,810,170 00	1,405,150 00	1,545,700 00	584,010 00	704,710 00	544,200 00	910,345 00
	411,918,842 20	128,901,206 83	83,230,139 39	32,738,413 19	17,919,704 84	16,540,830 08	24,088,125 02	15,533,735 60	27,412,000 12

LIABILITIES.

	New York.	Boston.	Philadelphia.	Baltimore.	Albany.	Cincinnati.	Chicago.	St. Louis.	Pittsburgh.
Capital Stock.....	74,809,700 00	42,550,000 00	16,517,150 00	10,191,985 00	3,000,000 00	4,000,000 00	5,900,000 00	6,750,300 00	9,000,000 00
Surplus Fund.....	18,048,551 87	7,753,841 28	5,426,251 00	1,184,931 92	799,000 00	719,000 50	832,151 00	592,313 08	1,639,068 53
Undivided Profits.....	7,945,805 98	1,115,573 27	1,974,578 43	869,334 16	560,583 75	323,988 64	434,695 95	457,553 43	728,006 61
Circulating Notes outstanding:									
National.....	34,979,637 00	25,356,533 00	10,191,750 00	7,006,078 00	2,198,055 00	3,462,550 00	4,072,645 00	2,772,614 00	6,676,442 00
State.....	308,925 00	277,933 00	115,277 00	273,168 00	50,131 00	.....	.....	51,735 00	170,889 00
Cashiers' Checks outstanding.....	1,702,432 79	364,732 73	596,509 70	.....	.....	.....	.....	.....	.....
Individual Deposits.....	210,373,578 77	36,394,415 40	29,307,067 02	10,574,039 22	8,595,961 16	4,000,145 35	9,037,831 77	4,903,374 83	7,984,081 04
U. S. Deposits.....	2,834,821 95	873,539 29	1,293,704 42	479,659 52	240,392 46	1,456,218 34	498,936 36	4,286 02	376,679 52
Dep. of U. S. Disbursing Officers.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Due to National Banks.....	51,489,553 91	13,247,189 68	6,175,125 12	1,541,536 01	2,008,826 55	1,623,578 90	2,675,222 98	1,024,157 40	634,870 20
Due to other banks & bankers.....	9,902,698 23	1,037,333 89	903,423 54	306,911 03	410,574 73	341,631 45	1,324,772 08	568,446 02	174,625 15
	\$411,948,842 20	128,901,208 53	83,320,139 39	32,723,413 19	17,919,704 84	16,540,380 08	24,038,125 02	18,533,735 03	27,412,040 13

Below we give the quarterly reports of the National Banks of each State. The returns for July last will be found in the MAGAZINE, vol. 57 page 194, and those for April last in vol. 56 page 378.

RESOURCES.

	New York.	Massachusetts.	Pennsylvania.	Ohio.	Connecticut.	Illinois.	R. Island.	New Jersey.	Maryland.	Indiana.
Loans and discounts.....	214,894,018 59	103,122,757 10	78,028,115 81	29,059,319 23	27,453,350 64	18,320,466 57	21,102,651 92	17,930,611 55	17,204,049 04	12,899,831 19
U. S. bonds to secure circ'n.....	78,591,850 00	64,299,900 00	44,042,700 00	20,778,500 00	19,740,000 00	10,808,150 00	14,582,000 00	10,432,400 00	10,005,750 00	12,899,831 19
U. S. bonds to secure de-pos.....	8,901,450 00	4,885,050 00	5,086,150 00	4,991,000 00	1,132,000 00	1,436,650 00	492,550 00	818,500 00	950,000 00	1,123,500 00
Other stocks, bonds & mort.....	17,331,610 00	6,755,450 00	6,389,450 00	2,000,750 00	1,972,050 00	836,550 00	251,750 00	562,050 00	551,500 00	513,000 00
Due from National Banks.....	11,079,791 14	1,674,737 88	2,444,425 22	301,714 88	569,759 24	8,261,362 89	330,370 35	581,233 74	729,031 23	812,600 94
Due from other banks & ban's.....	23,371,401 16	17,596,039 40	12,448,145 63	5,433,348 81	4,946,286 35	4,868,780 81	2,697,555 98	3,744,018 68	189,329 59	1,670,388 93
B'king house, real estate &c.....	3,154,043 52	238,070 32	1,283,456 71	728,424 04	173,487 70	443,923 61	597,964 44	583,724 67	697,172 26	204,188 94
Current expenses.....	7,732,625 97	2,203,241 48	1,441,880 85	141,900 01	209,904 91	233,445 18	95,070 77	147,256 26	137,496 08	900,068 17
Premiums.....	1,778,163 42	980,879 91	980,879 91	91,905 01	63,754 42	63,214 36	45,553 61	113,270 32	83,102 20	10,398 77
Checks and other cash items.....	111,160,329 67	79,399 26	600,186 31	98,689 37	577,404 34	2,770,107 73	657,485 41	466,854 77	991,488 95	103,598 77
Bills of National banks.....	9,871,022 00	1,550,276 00	1,285,063 00	923,306 00	380,187 00	704,534 00	223,190 00	831,511 00	405,559 00	389,398 00
Bills of other banks.....	88,492 00	16,524 00	59,703 00	31,135 00	8,987 00	1,774 00	8,406 00	10,198 00	13,476 00	13,476 00
Specie.....	7,406,207 20	706,948 96	327,415 20	61,011 35	81,799 00	36,377 42	30,711 71	6,914 37	856,253 05	19,267 14
Fractional cur., leg. tend. n.....	39,133,447 31	11,645,468 52	17,432,951 51	5,785,327 85	1,811,569 57	4,639,913 80	1,291,548 67	1,500,557 44	3,350,690 25	2,046,401 85
Compound interest notes.....	26,255,730 00	7,970,540 00	8,334,025 00	2,369,420 00	1,349,170 00	1,341,130 00	745,350 00	1,101,530 00	1,663,280 00	919,660 00
Aggregate.....	555,089,745 56	229,123,130 16	187,951,041 83	74,540,531 31	61,105,208 71	47,167,127 86	42,753,637 13	38,571,144 27	40,398,793 98	33,420,333 31

Aggregate \$35,089,745 56 229,122,136 16 187,981,041 38 74,540,531 31 61,105,308 71 47,167,127 86 42,753,637 13 38,571,144 27 40,138,793 38 33,290,333 21 9,020,000 00 1,000,000 00 9,020,000 00

Capital stock.....	115,324,941 00	79,682,000 00	40,391,605 00	21,904,700 00	24,554,220 00	11,920,000 00	20,364,800 00	11,333,350 00	12,500,302 50	12,517,000 00
Surplus in d.....	23,231,378 06	13,654,465 90	10,543,148 16	2,714,533 72	3,475,324 84	1,009,380 19	1,062,978 19	1,397,502 77	1,475,260 78	1,532,539 01
U. divided profits.....	12,411,557 49	3,183,275 34	4,630,214 73	1,796,304 37	1,618,936 99	1,119,244 42	976,432 21	1,018,532 21	1,031,591 85	729,880 31
Circ'ling notes outst'g—Nat. State	66,890,832 00	56,441,821 00	37,975,093 00	18,302,843 00	17,352,221 00	9,483,332 00	12,419,049 00	9,064,070 00	8,705,285 00	10,771,302 00
Individual deposits.....	1,003,481 00	822,581 00	689,570 00	98,410 00	395,124 00	2,691 00	219,998 00	293,655 00	171,239 00	9,132 00
United States deposits.....	262,460,312 93	57,292,459 77	73,055,148 91	23,895,642 98	11,327,168 32	13,062,005 84	12,710,284 96	13,352,698 13	6,949,711 46	18,949,141 46
Dep'ts of U. S. dis'b'g office's	4,610,837 51	3,079,984 44	3,125,212 41	2,915,212 41	731,177 33	961,467 45	451,398 28	582,396 56	544,068 41	380,165 46
Due to National banks.....	324,321 68	131,445 57	17,504 53	161,217 14	90,147 43	157,040 77	12,353 50	98,502 16	175,212 05	177,917 47
Due to other banks & bank's	51,606,310 31	13,724,751 31	8,388,130 48	2,199,140 39	1,858,064 67	2,704,701 10	837,131 16	1,457,120 53	1,048,466 54	73,975 30
Aggregate.....	12,081,859 43	1,189,675 91	1,348,113 99	552,319 47	1,511,936 63	7,447,601 03	385,641 71	1,773,650 09	218,258 82	132,616 20

Aggregate.....	555,089,745 56	229,122,136 16	187,981,041 38	74,540,532 31	61,105,308 71	47,167,127 86	42,753,637 13	38,571,144 27	40,138,793 38	33,290,333 21
Loans and discounts.....	9,870,253 17	993,104 53	7,144,353 80	5,242,256 22	3,972,784 92	3,932,913 59	3,831,398 71	2,519,739 50	2,519,739 50	2,100,349 99
U. S. bonds to secure circ'n	8,407,320 00	780,900 00	1,348,200 00	6,474,000 00	3,713,150 00	4,722,000 00	4,722,000 00	2,500,000 00	1,496,560 00	1,703,000 00
U. S. b'ds & secur'ts on hand	745,000 00	130,000 00	60,000 00	680,000 00	429,000 00	727,200 00	510,000 00	1,600 00	451,000 00	161,000 00
Other stocks, bonds & mort.	639,150 00	161,150 00	81,678 76	77,233 84	125,811 71	97,200 00	73,877 10	22,110 00	244,050 00	85,430 00
Due from National banks.....	278,176 97	1,05,351 79	539,035 63	1,092,972 36	1,196,501 23	1,206,436 94	1,370,344 29	229,415 45	103,720 74	16,000 00
Due from oth ba'ks & ban'rs	1,599,145 79	437,131 96	68,912 13	11,635 19	118,070 37	246,250 96	103,151 38	143,188 68	131,348 25	76,424 81
Banking houses, F'al est., &c.	11,576 92	68,912 13	31,081 86	17,532 88	145,967 88	26,270 14	170,589 49	23,247 25	166,503 01	104,228 75
Current expenses.....	36,357 25	15,920 31	20,221 52	32,976 46	69,132 43	40,923 98	55,300 28	26,144 80	42,727 20	76,289 55
Premiums.....	19,491 47	13,824 43	7,068 47	23,731 03	18,901 66	11,172 65	52,241 91	2,488 96	19,232 36	16,961 14
Checks and other cash items	233,323 79	27,319 55	46,174 27	130,316 80	152,678 82	75,239 53	520,386 65	65,671 62	87,001 64	24,513 88
Bills of National banks.....	179,515 00	40,369 00	35,915 09	88,684 00	265,930 00	154,314 00	153,493 00	83,216 00	204,455 00	6,805 24
Bills of other banks.....	3,231 00	35,891 00	5,948 00	1,687 00	6,372 00	531 00	751 00	.....	.....	28,011 00
Specie.....	21,381 97	27,763 42	4,614 61	16,262 69	29,739 42	9,242 71	10,488 32	218,926 30	26,267 07	2,169 00
Fract' cur, legal tend, notes	814,030 75	203,576 47	156,993 55	598,701 57	1,235,122 99	438,754 22	1,038,135 36	736,479 73	303,808 59	11,915 98
Compound interest notes....	521,359 01	9,910 00	337,780 00	337,780 00	387,440 00	227,370 00	327,340 00	65,770 00	137,680 00	90,430 00
Aggregate.....	23,643,912 12	3,305,562 08	4,753,444 66	15,430,163 86	13,522,739 82	12,158,534 00	11,533,916 94	2,017,681 83	6,960,539 95	5,216,347 63

Capital stock.....	9,035,000 00	800,000 00	1,498,185 00	6,570,019 00	8,519,000 00	4,735,000 00	2,935,000 00	576,350 00	1,930,300 00	1,885,000 00
Surplus fund.....	737,312 76	54,471 03	327,708 00	414,017 15	3,920,899 80	416,320 91	402,900 98	12,000 00	166,766 54	85,416 55
Undivided profits.....	731,457 97	92,537 18	1,081,188 51	4,016,636 03	3,991,193 32	3,364,443 43	2,832,413 43	59,271 81	150,089 13	107,004 63
Circ'ling notes outst'g—Nat. State	7,475,691 00	599,486 00	1,105,693 00	5,469,200 00	3,304,077 00	4,191,791 00	2,553,461 00	404,900 00	1,112,485 00	1,512,455 00
Individual deposits.....	71,948 00	1,483,319 99	1,483,319 99	75,061 00	7,275 00	5,178 00	380 00	408,393 08	2,997,508 64	1,191,119 01
United States deposits.....	4,801,976 32	1,540,358 46	2,936,391 78	1,903,391 78	5,939,571 11	1,042,197 71	4,461,760 03	173,690 26	530,974 17	174,932 55
Dep'ts of U. S. dis'b'g office's	214,000 16	88,743 88	40,309 15	2,860,869 36	227,893 13	373,011 37	935,719 48	176,632 17	11,009 19	11,009 19
Due to National banks.....	218,221 62	.....	23,433 01	1,06,888 93	179,853 60	93,970 52	345,719 48	185,965 66	176,632 17	81,232 41
Due to other banks & bankers	1,37,092 16	4,768 01	15,132 48	58,985 15	45,125 45	10,274 57	321,490 12	9,915 19	20,237 85	138,068 29
Aggregate.....	53,212 13	4,936 02	42,263 90	311 56	35,394 40	4,397 09	90,357 97	71,066 23	15,832 36	138,068 29

Aggregate..... \$3,035,562 08
* Excluding St. Louis, published on page 361.

RESOURCES.

	Mississippi.	Alabama.	Arkansas.	S. Carolina.	N. Carolina.	Kansas.	Louisiana.	Minnesota.	Georgia.	W. Virginia.
Loans and discounts.....	139,130 27	493,144 85	390,315 34	192,376 15	616,651 09	403,049 42	1,406,741 51	2,080,034 77	1,784,090 89	2,313,130 44
U. S. bonds to secure circ'l'n	75,000 00	340,500 00	200,000 00	170,000 00	346,000 00	332,000 00	1,308,000 00	1,682,200 00	1,383,500 00	2,243,250 00
U. S. bonds to secure depos.	.....	.....	150,000 00	.....	200,000 00	290,000 00	.....	100,000 00	400,000 00	398,500 00
U. S. bonds & secur. on hand	1,560 00	.....	34,000 00	510 00	.....	137,150 00	10,300 00	10,950 00	.....	372,400 00
Other stocks, bonds & morg.	.....	53,500 00	4,306 91	88,148 15	47,736 81	59,014 62	5,115 00	65,440 55	28,845 00	169,965 69
Due from National Banks.....	15,918 38	43,761 26	72,545 49	81,137 69	74,374 69	390,548 15	134,005 13	437,946 07	271,811 43	595,384 31
Due from other b'ks & bank's	13,372 95	57,975 44	250 00	9,616 03	13,061 17	25,160 83	6,395 40	58,317 37	84,299 41	50,655 30
Bank's house, real estate, &c	18,597 86	13,592 00	18,911 00	12,034 70	48,240 85	72,934 21	261,320 94	84,714 73	41,123 54	190,541 42
Current expenses.....	4,223 92	13,665 61	5,036 33	14,700 79	26,991 98	11,569 14	20,247 18	42,392 74	36,240 32	41,378 42
Premiums.....	3 32	.....	988 99	2,283 37	11,375 00	3,144 44	48,729 02	10,043 76	15,496 83	51,757 05
Checks and other cash items	414 84	33,170 63	9,719 60	39 93	27,893 52	22,591 18	55,720 09	144,249 66	125,348 00	131,756 18
Bills of National Banks.....	14,157 00	12,749 00	2,043 00	75,360 00	27,723 00	28,118 00	84,891 00	81,025 00	125,348 00	40,731 00
Bills of other banks.....	1,391 00	.....	738 00	.....	.....	.....	.....	1,939 00	.....	34,240 00
Specie.....	8,798 24	12,347 82	10,120 12	12,687 94	10,474 87	157,068 20	63,160 39	6,304 69	13,303 15	58,343 00
Frac. cur., leg'l tender notes	60,300 40	113,704 89	172,249 22	223,357 53	130,904 63	366,383 41	394,245 26	533,470 43	533,470 43	453,154 41
Compound interest notes.....	.....	.....	110 00	8,070 00	66 00	57,080 00	.....	159,650 00	113,320 00	173,570 00
Aggregate.....	402,813 03	1,091,111 50	1,041,833 99	1,530,946 29	1,532,037 56	1,943,337 35	3,650,602 16	5,405,515 00	4,862,188 33	7,213,617 82

LIABILITIES.

	Capital stock.	Surplus fund.	Undivided profits.	Circular'g notes outst'g—Nat State.	Individual deposits.	United States deposits.	Depos. of U. S. dis'b'g officers.	Due to National banks.	Due to other banks & bank's	Aggregate.
Capital stock.....	150,000 00	400,000 00	.....	.....	.....	.....	.....	.....	.....	.....
Surplus fund.....	6,953 90	13,573 15	39,663 55	207,794 00	293,439 73	235 39	8,436 37	70,369 31	.....	.....
Undivided profits.....	16,775 62	39,663 55	207,794 00	207,794 00	293,439 73	235 39	8,436 37	70,369 31	.....	.....
Circular'g notes outst'g—Nat State.	40,500 00	207,794 00	207,794 00	207,794 00	293,439 73	235 39	8,436 37	70,369 31	.....	.....
Individual deposits.....	29,500 00	.....	.....	.....	.....	.....	.....	.....	.....	.....
United States deposits.....	151,683 46	.....	.....	.....	.....	.....	.....	.....	.....	.....
Depos. of U. S. dis'b'g officers.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Due to National banks.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Due to other banks & bank's	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Aggregate.....	402,813 03	1,091,111 50	1,041,833 99	1,530,946 29	1,532,037 56	1,943,337 35	3,650,602 16	5,405,515 00	4,862,188 33	7,213,617 82

RESOURCES.					
	Virginia.	Colorado.	Nebraska.	Idaho.	Montana.
Loans and discounts.....	\$ 3,499,396 16	\$ 445,238 11	\$ 508,754 02	\$ 71,506 31	\$ 74,676 95
U. S. bonds to secure circ'n	2,335,800 00	297,000 00	190,000 00	52,000 00	40,000 00
U. S. bonds to secure depos.	261,600 00	150,000 00	303,350 00	.....	20,000 00
U. S. bonds & se ur. on hand	56,800 00	50,900 00	244,350 00	.....	.....
Other stocks bonds & mortg.	44,086 79	11,064 50	39,814 45	.....	1,374 92
Due from National banks....	733,137 07	300,879 36	474,825 39	13,929 06	6,996 00
Due from other b'ks & b'kers	64,869 77	13,468 97	18,495 50	.....	18,292 42
Bank'g house real estate, &c.	294,773 58	97,500 52	59,010 80	9,435 60	15,289 57
Current expenses.....	76,732 35	31,403 98	23,712 70	10,555 35	4,456 00
Premiums.....	51,944 98	3,534 70	10,486 11	.....	.....
Checks and other cash items	310,772 16	29,009 75	29,257 82	6,042 93	29,315 39
Bills of National banks....	148,186 00	71,422 00	127,645 00	2,035 00	625 00
Bills of other banks.....	11,368 00	.....	426 00	.....	.....
Specie.....	135,668 93	11,447 52	15,707 74	9,755 22	2,495 20
Frac. cur. legal tender notes	524,864 56	133,316 85	244,325 08	8,452 55	3,748 50
Compound Interest notes...	122,310 00	800 00	32,030 00	.....	240 00
Aggregate.....	\$ 660,310 35	\$ 1,646,786 26	\$ 2,327,190 41	\$ 183,742 09	\$ 217,509 95
LIABILITIES.					
Capital stock.....	2,400,000 00	350,000 00	283,350 00	100,000 00	100,000 00
Surplus fund.....	148,109 10	58,000 00	5,742 08	.....	.....
Undivided profits.....	181,728 48	117,315 77	116,578 80	8,302 24	19,352 14
Circula'g notes outst'g—Nat State.	2,030,320 00	254,000 00	166,200 00	28,582 00	33,975 00
Individual deposits.....	3,309,802 97	663,313 82	1,906,950 47	26,918 52	48,714 38
United States deposits.....	122,977 53	89,644 52	24,379 83	.....	10,493 43
Depos. of U. S. disb'g offic's	196,164 61	68,518 74	511,221 53	.....	.....
Due to National banks.....	173,914 37	45,882 09	9,950 21	5,350 00	.....
Due to other b'ns & bank's	97,293 24	111 32	1,953 49	14,589 33	2,375 03
Aggregate.....	\$ 660,310 35	\$ 1,646,786 26	\$ 2,327,190 41	\$ 183,742 09	\$ 217,509 95

The abstract of the quarterly reports of all the National Banking associations of the United States on the first Mondays of October and July last is as follows: in the MAGAZINE of May, Vol. 56, page 380 will be found the previous returns, for each quarter since October 1863.

RESOURCES.			July, 1867.	Oct., 1867.*
Loans and discounts, including overdrafts.....			\$588,100,703 62	\$609,608,095 35
U. S. bonds deposited to secure circulation.....			267,735,250 00	338,540,150 00
U. S. bonds & sec. dep. to secure deposits.....			33,302,750 00	38,211,450 00
U. S. bonds and securities on hand.....			45,629,300 00	42,173,150 00
Other stocks, bonds and mortgages.....			21,452,040 43	21,375,403 92
Due from National banks.....			92,287,906 39	95,212,305 45
Due from other banks and bankers.....			9,603,442 12	8,386,600 60
Real estate, furniture, &c.....			19,755,023 70	20,637,011 95
Current expenses.....			3,217,747 70	5,295,738 23
Premiums.....			3,361,347 11	2,758,733 78
Checks and other cash items.....			128,255,674 49	134,550,948 96
Bills of National Banks.....			16,128,898 00	11,898,056 00
Bills of other Banks.....			531,264 00	333,209 00
Specie.....			9,902,072 97	10,253,114 60
Legal Tender Notes and Fractional Currency.....			102,431,846 96	100,511,924 83
Compound Interest Notes.....			75,456,915 00	56,866,440 00
Total.....			\$1,491,433,532 49	\$1,496,552,355 17
LIABILITIES.				
Capital Stock paid in.....			\$418,123,148 50	\$419,973,415 00
Surplus Fund.....			63,229,585 62	66,695,587 01
Undivided Profits.....			30,536,677 80	33,591,032 41
National Bank Notes Outstanding.....			291,491,033 00	293,804,531 00
State Bank Notes Outstanding.....			4,422,505 00	4,092,153 00
Individual Deposits.....			537,882,919 91	537,922,575 83
United States Deposits.....			29,764,039 09	29,078,315 71
Deposits of U. S. Disbursing Officers.....			3,407,608 19	4,637,264 52
Due to National Banks.....			89,817,032 74	93,111,240 89
Due to other Banks and Bankers.....			22,608,954 53	19,644,940 10
Total.....			\$1,491,433,532 49	\$1,496,552,355 97

* Including all statements except 1st N. B. Portland Oregon capital \$100,000.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

COTTON, BREADSTUFFS, PROVISIONS, TOBACCO, ETC.

From the British Board of Trade returns, just issued, it appears that during the first seven months of the present year a considerable falling off has taken place in the value of the produce and manufactures exported from Great Britain to this country. The decline shown in the statement recently published by the British Board of Trade is not, however, so much the result of the diminution in the extent of the trade, as of the heavy decline in prices which has taken place in many of the leading articles of manufacture exported by Great Britain. This is more especially the case with regard to cotton, in which a heavy decline has been produced by the continued desire shown by holders to sell. In the seven months ending July 31, the declared value of the exports of British and Irish produce and manufactures to this country was as under :

	1865.	1866.	1867.
Ports on the Atlantic—Northern.....	£7,469,832	£16,368,977	£12,462,078
“ “ —Southern.....	34,785	643,820	774,285
Ports on Pacific ...	312,274	426,142	490,816
Total	£7,846,861	£17,338,939	£13,727,179

In the first eight months of the present year the total exports of British and Irish produce and manufactures amounted to £121,056,913, against £125,265,820 in 1866, and £102,400,696 in 1855. These figures are very favorable, and they show that, notwithstanding the alleged lackness of trade in Great Britain, the exports are still on a very considerable and very important scale. Of the above exports, the proportion forwarded to the United States was as follows :

EXPORTS OF BRITISH AND IRISH PRODUCE AND MANUFACTURES TO THE UNITED STATES
IN EIGHT MONTHS.

	1865.	1866.	1867.
Alkali.....	£261,443	£216,117	£237,927
Beer and ale.....	26,461	45,544	58,751
Coals	70,714	62,095	60,239
COTTON MANUFACTURES—			
Piece goods.....	977,600	2,446,194	1,797,714
Thread.....	75,259	241,353	251,858
Earthenware and porcelain.....	248,636	514,340	498,880
Haberdashery and millinery.....	476,789	929,090	714,384
HARDWARES AND CUTLERY—			
Knives, forks, &c.....	78,096	190,773	159,231
Anvils, vices, &c.....	53,490	68,827	66,070
Manufactures of German silver, &c.....	155,660	461,207	391,087
LINEN MANUFACTURES—			
Piece goods.....	1,619,106	2,785,326	1,956,819
Thread.....	87,364	167,170	115,630
METALS—			
Iron—Pig, &c.....	70,851	193,988	254,925
Bar, &c.....	104,767	366,992	450,369
Railroad.....	231,369	507,809	933,038
Castings.....	3,023	12,242	9,358
Hoops, sheets and boiler plates.....	43,490	214,265	238,891
Wrought.....	90,196	151,004	94,231
Steel Unwrought	184,109	435,451	429,440
Copper, wrought.....	21,208	31,798	14,543
Lead, pig, &c.....	50,396	96,931	95,273
Tin plates.....	545,384	1,018,484	952,539
Oilseed.....	2,144	200,733	193,929
Salt	22,116	78,765	61,736

SILK MANUFACTURES—

	1865.	1866.	1867.
Broad piece goods.....	38,760	96,426	58,276
Handkerchiefs, &c.....	1,395	7,088	2,839
Ribbons, of silk only.....	17,571	15,793	6,632
Other articles of silk only.....	75,443	84,214	34,647
Other articles mixed with other materials.....	20,476	53,752	53,360
Spirits, British.....	2,754	10,360	6,830
Wool.....	10,132	9,300	765
WOOLEN AND WORSTED MANUFACTURES—			
Cloths of all kinds.....	290,548	745,094	479,862
Carpets and druggets.....	157,113	547,953	514,140
Shawls, rugs, &c.....	18,028	36,436	41,001
Worsted stuffs of wool only, and of wool mixed with other material.....	1,711,453	2,727,118	1,648,00

COTTON.

The imports of cotton into Great Britain this year have fallen off as compared with 1866, owing to the decline in the receipts of produce from the East Indies. The imports from the United States, however, have slightly increased, and for the eight months ending August 31, amount to 3,940,083 cwt., against 3,834,000 cwt. in 1866. Annexed are the particulars of imports for eight months :

	1865. cwts.	1866. cwts.	1867. cwts.
From United States.....	109,863	3,834,000	3,940,083
Bahamas and Bermudas.....	118,604	6,413	10,349
Mexico.....	275,550	3,145	22
Brazil.....	294,820	495,583	467,007
Turkey.....	166,604	83,930	55,332
Egypt.....	1,005,454	735,460	851,675
British India.....	1,941,401	3,439,087	1,869,451
China.....	301,509	17,949	4,707
Other countries.....	307,235	193,734	193,054
Total.....	4,561,040	8,809,601	7,391,680

The exports of cotton in the eight months are subjoined :

	1865. cwts.	1866.	1867.
To Russia, Northern ports.....	163,716	248,235	293,735
Prussia.....	22,782	42,89	145,786
Hanover.....	14,011	5,618	3,514
Hanse Towns.....	395,360	516,477	459,132
Holland.....	26,216	347,865	378,894
Other Countries.....	727,909	1,127,323	770,656
Total.....	1,585,994	2,287,607	2,051,717

Of cotton piece goods the exports in the same periods were :

	1865. yards	1866.	1867.
To United States.....	37,349,325	87,558,274	70,000,205
To all quarters.....	1,267,426,062	1,666,554,954	1,739,176,406

BREADSTUFFS.

The high prices current for wheat in the markets of the world have rendered this branch of commerce more important than has been the case for some years past. At one period it was anticipated that the crops in England and in this country would be so considerable that an important fall in prices was inevitable. The result of the harvest, however, is much less satisfactory than had been anticipated, and instead of a decline, prices have experienced an advance. The causes of therise in Great Britain and in Europe have been alluded to in our London correspondent's letter, and need not therefore be recapitulated. The return of

imports shows, however, that the imports of wheat into Great Britain this year have been very large, and are 5,500,000 cwt. in excess of 1866. In flour, owing to the diminished receipts from France, there is a decrease of 1,400,000 cwt. The following are the particulars of imports :

WHEAT.			
	1865.	1866.	1867.
From Russia.....	4,836,307	4,610,396	8,045,857
Denmark.....	345,204	354,103	343,483
Prussia.....	3,092,503	2,398,706	4,474,326
Schleswig, Holstein and Lauenburg.....	171,367	141,073	92,692
Mechlenburg.....	361,769	545,365	574,605
Hanse Towns.....	301,831	620,375	485,241
France.....	862,052	3,305,024	531,976
Turkey, Wallachia, and Moldavia.....	457,962	329,733	1,694,506
Egypt.....		11,769	422,203
United States.....	664,023	345,750	1,738,945
British North America.....	222,067	8,759	8,132
Other Countries.....	750,383	2,353,398	2,624,669
Total.....	11,565,473	15,539,290	21,031,617

FLOUR.			
	1865.	1866.	1867.
From Hanse Towns.....cwt.	154,401	181,223	281,362
France.....	1,550,369	3,075,740	1,071,394
United States.....	194,561	193,051	208,704
British North America.....	130,667	16,818	23,838
Other Countries.....	97,306	168,807	682,234
Total.....	2,126,704	3,637,648	2,267,532
Indian corn or maize.....	3,234,997	10,509,656	6,530,092

The exports of foreign and colonial wheat and flour in the eight months were as under :

	1865.	1866.	1867.
Wheat.....qrs.	29,318	35,737	114,604
Flour.....cwt.	18,657	15,779	11,758

TOBACCO.

The imports and exports into and from Great Britain during the eight months ending August 31, were :

IMPORT.			
	1865.	1866.	1867.
Stemmed.....lbs	2,718,268	5,308,327	3,329,998
Unstemmed.....	26,841,806	18,244,945	14,382,432
Manufactured and snuff.....	1,668,632	1,587,218	2,615,929
ENTERED FOR HOME CONSUMPTION.			
Stemmed.....lbs	7,840,262	8,962,632	11,919,959
Unstemmed.....	17,540,433	17,540,214	14,592,995
Manufactured and snuff.....	547,190	573,946	620,366
EXPORTS.			
Stemmed.....lbs	232,627	356,919	633,580
Unstemmed.....	9,194,751	9,762,162	12,014,926
Manufactured and snuff.....	941,834	1,506,370	1,656,456

PROVISIONS.

The following were the imports of provisions into the United Kingdom in the first eight months of the present and last two years :

PROVISIONS.			
	1865.	1866.	1867.
Bacon and hams.....cwt.	509,909	521,119	327,352
Beef, salt.....	161,558	14,362	120,222
Pork, salt.....	123,085	141,162	106,918
Butter.....	659,861	671,510	708,835
Cheese.....	456,102	406,610	462,820
Eggs.....Number	297,984,840	326,331,840	301,711,080
Lard.....cwt.	57,677	217,076	142,010

LIABILITY FOR THE COUNTERFEIT SEVEN-THIRTY NOTES.

We hope the Government will not deem it advisable to endeavor to compel bankers and others to return the 5 20 bonds issued to them in conversion of counterfeit 7-30 notes. It is not easy to perceive what principle of law would support such a proceeding. It would seem only consonant to reason and common sense, that if a forged note is presented to the pretended maker for payment, by an innocent purchaser, and the former, through carelessness, pays it, the loss should fall on him who, of all men, should be able to decide respecting the genuineness of the paper. In such a case it is easy to see that the person whose name is forged, by paying the note, affirms its validity. The law does not allow him, after payment to such innocent holder for value, to claim a return of the money. The rule may result in hardship to him, but it would work great wrong were it otherwise. To allow a man to demand a return of the money paid on his own forged note, after the receiver of the money has, perhaps, entirely lost sight of the person from whom he purchased the note, would be unreasonable, and result in much injustice.

Indeed, the law goes farther than this, for it is well settled that if the drawee of a forged draft, being the agent of the pretended drawer, pay such draft to a holder who has no knowledge of the fraud, he can not demand a return of the money, as he is presumed to know the signature of his correspondent. As long ago as 1762, when an action was brought by the drawee of a forged draft to recover the money which he had paid on it, neither party having knowledge of the forgery, Lord Mansfield decided that the action could not be maintained, and said: "It was incumbent upon the plaintiff to be satisfied that the bill drawn upon him was in the drawer's hand before he accepted or paid it but it was not incumbent upon the defendant to inquire into it. If there was any fault or negligence in any one, it certainly was in the plaintiff and not in the defendant." (*Price v. Neal*, 3 Burrow's Reports, 1354.) And that eminent jurist, Judge Bronson, in rendering the decision of the Court of Appeals in our own State, in the case of *Goddard and St. John against the Merchants' Bank*, (4 Comstock's Reports, 147,) only affirms the well-settled law, when he says: "The drawee of a bill is held bound to know the handwriting of his correspondent, the drawer; and if he accepts or pays a bill in the hands of a bona fide holder for value, he is concluded by the act, although the bill turns out to be a forgery. If he has accepted he must pay, and if he has paid he cannot recover the money back. This is an exception to the general rule, that money paid under a mistake of fact may be recovered back. The exception is fully established." To the same effect is the case of *The Bank of Commerce against The Union Bank*. (3 Comstock's Reports, 230.)

Now, it seems to us, that in the matter under consideration, law and justice are strongly on the side of the bankers. The 7-30 notes are Government promises to pay—they are simply promissory notes. The holders at maturity have the option of demanding of the United States either currency or 5-20 bonds. They have exercised this option, and the Government has paid its notes by the issue of bonds. The notes are therefore, discharged, and the law will not allow the payer of forged

paper, purporting to bear his signature, to recover the amount paid from an innocent party. The 730 notes are just as truly paid as if they had been redeemed in currency. If they were not originally genuine, payment has made them so, as far as the Government is concerned.

Other considerations tend to confirm this view of the matter. Prominent among these is the lapse of time. The notes were converted weeks ago. The bankers have closed up their transactions. They have settled accounts with their principals, the owners of the notes, and delivered the bonds to them. Suddenly they are startled by the announcement that the notes are forged, and that it is purposed to hold them responsible. It seems to us that they may with reason answer that it is now too late—that the time of their responsibility, if they ever were responsible at all, has passed by—that if they had been notified immediately, the loss would have fallen on the original owners, and not on them. If the delay has been caused by official routine, and the necessity of examining the notes carefully in their order, payment should not have been made until this examination was finished, and every test of genuineness applied.

Indeed the point of agency is a very important one. Although the bankers did not, in each individual case, declare to the department the names of the persons for whom they were acting, it was still well known, from the nature of their business, that they were not personally the owners of the millions of notes which they presented for conversion. It would seem reasonable that they should be allowed to set up their representative character in justification of a refusal to return the 5-20 bonds.

Again, suppose it should be made to appear that these counterfeits are merely duplicates, issued by some persons employed in the Treasury. "It is a general doctrine," says Judge Story, in his *Treatise on Agency* (§452), "that a principal is liable to third persons, in a civil suit, for the frauds, deceits, concealments, misrepresentations, torts, negligence and other malfeasances or misfeasances and omissions of duty of his agent in the course of his employment, although the principal did not authorize, or justify, or participate in, or indeed know, of such misconduct, or even if he forbade the acts or disapproved of them," etc. Now if the facts respecting these notes are as we understand them to be, they seem to furnish a case which a jury would be likely to consider a defense to the claim. The counterfeit notes have only been discovered by duplicate numbers, and the discovery has not been made until weeks after the conversion. The forged plates are most wonderful productions. The counterfeits resemble the originals so closely that they escaped detection. All the minute and delicate workmanship, which was supposed to be the safeguard of the government obligations, is minutely and most carefully reproduced. Moreover the peculiar paper, manufactured expressly for government securities, is identical with the paper of these notes. Besides all this, it is said that they are printed from different plates, so that two plates must have been counterfeited. But the red stamp, we are told, is different, and does not agree, in several particulars, with the stamp used on the genuine notes. And yet it is the same in every respect, if we are not greatly in error, with the stamp

used for the legal tender notes. Now is it not inconceivable that, in counterfeiting the 7-30 stamp the workmen should have so altered it, in minute particulars, as exactly to reproduce the greenback stamp? Moreover, this discrepancy would perhaps render it impossible that photography had been made use of. If, then, all these and other circumstances are brought strongly before a jury, would they not be justified in finding that the notes were issued through the fraud of some of the Treasury employees, and would not the Court hold that the Government must bear the loss resulting from the fraud of its agents in the regular course of their agency?

OUR FOREIGN EXCHANGES SINCE 1861.

In order to estimate the importance of the change in our financial relations with Europe effected by the war, it is necessary to trace the course of our foreign trade during the last five or six years. The loss of the cotton crop, from the first outbreak of the war, involved an important diminution of our ability to pay for foreign products. This was naturally anticipated by our importers, and the importations were largely reduced; but the curtailment of our imports was not at all proportionate to the reduction in the exports. This was due in part to the fact that a large number of our producing population was taken into the army, thereby lessening the national yield of products; while, owing to the war consumption, we required more than the average supply of goods. Among the people also there was no disposition to economise; but, on the contrary, the effect of the increasing flood of paper money was to encourage the illusion among all of great prosperity, and thereby induce unusually large expenditures. Hence, although the war shut us off from communication with one third the population of the country, the importations were reduced only about 18 per cent. during the first year, and 24 per cent. the second year; while in the third, they were within \$5,000,000 of the figures of 1860. The exports, however, from being 400 millions in 1859-60, fell to 226 millions (gold value) in 1861-62, and even to 209 millions in 1864-65. Owing to the circumstance that the Custom House entries of domestic produce are given in currency, it is difficult to ascertain the gold value of the exports since the suspension of specie payments. By, however, carefully averaging the price of gold for each year, the value of this portion of the exports may be ascertained with a fair approximation to accuracy.

The average yearly price of gold has been about as follows: in the fiscal year 1861-2, 102; in 1862-3, 146; in 1863-4, 160; in 1864-5, 200, and in 1865-6, 140; for the year 1866-7 it is unnecessary to strike an average, as in the official returns these exports are reduced to gold values. Taking these then as the correct averages, we will find that the gold value of the exports of the last six years compare as follows with the imports.

Fiscal year,	Imports, (specie included.)	Exports, (specie included.)	Excess of imports
1861-2	\$275,300,000	\$226,300,000	\$49,000,000
1862-3	252,900,090	243,600,000	9,300,000
1863-4	329,500,000	220,400,000	109,100,000
1864-5	234,400,000	209,400,000	25,000,000
1865-6	437,600,000	430,600,000	7,000,000
1866-7	412,200,000	355,200,000	57,000,000
Total.....	1,941,900,000	1,685,500,000	256,400,000
Average	323,600,000	280,900,000	42,700,000

According to these figures it appears that, for the six years ending on the 30th of June last, the trade balance against us was \$256,000,000 in gold. We have no doubt that this exhibit omits an important amount of the exports, inasmuch as the shippers' manifests, as presented to the Custom House, are generally more or less incomplete. It is, however, impossible to form any reliable estimate of the proportion thus excluded from the official returns. But, on the other hand, the high tariffs of late years have induced a considerable amount of smuggling, and have tempted importers, in many cases, to invoice their goods below the true value. The Secretary of the Treasury, in his last annual report, estimates that for smuggling, undervaluation of invoices and cost of transportation paid to foreign shipowners, 20 per cent. at least should be added to the imports. With due respect to official opinion, we are disposed to regard this estimate as somewhat exaggerated; but be this as it may, it may perhaps be safely assumed that the under-statement of the imports fully sets off the omissions in the entries of exports; so that the above balance may perhaps be taken as about representing the result of our trading account with the rest of the world. To this trading balance, however, must be added, an important amount for interest occurring upon foreign investments in this country. At the beginning of the war, the aggregate of our State, municipal, railroad and other securities held in foreign countries was estimated to be about \$250,000,000; which, some good judges believe, has since, through the shipment of bonds, been more than trebled. Assuming the accuracy of these figures, it could scarcely be supposed that the interest for the six years would be less than \$125,000,000. Adding then, this interest account to the adverse trading balance, it would appear that, for the six years, we have incurred a total foreign indebtedness of \$380,000,000. In this estimate we make no allowance for profits upon the invoiced value of our exports, nor for the sales of American vessels to foreigners pending the dangers from Southern privateers, so that we may perhaps reduce this total to \$350,000,000 as the best attainable estimate of the net adverse balance accruing on trading and interest accounts since July 1, 1861.

These figures may appear startling, and may seem to countenance the idea entertained in some quarters that there is outstanding against this country a large open balance ready to be called home upon any financial or political emergency in Europe, and threatening an embarrassing drain of gold. An idea of this sort has been the nightmare of the

Gold Room, and has created much, as it appears to us, unnecessary apprehension. We have little question but that nearly the whole of this balance has been set off by securities. It is not a supposition at all accordant with sound banking, much less with the caution with which financial operations have been conducted in Europe for the last eighteen months, to imagine that a balance running far up into the tens of millions would be allowed to accumulate here uncovered. With the constant danger of war in Europe, and the heavy losses connected with the cotton trade, it may be taken for granted that European bankers would not allow unusually large balances to remain here in the hands of their agents. Nor is there any palpable evidence that the foreign bankers of this city hold any such extraordinary balances as this supposition implies. If they were under advances to any very extraordinary extent to importers, banks or bankers, surely there would be more tangible evidence of the fact than is anywhere apparent. Nor is there any necessity for resorting to this extraordinary supposition; for it is not unreasonable to estimate that the Government and other securities sent abroad have realised sufficient to offset the balance against us. It is now very generally estimated among foreign bankers that the amount of United States bonds held in Europe cannot well be less than \$550,000,000. Of the whole issue of \$515,000,000 of Five-Twenties of 1862, probably there are at least \$450,000,000 in foreign hands, judging from the scarcity of the bonds in this market, notwithstanding they command 3@4 per cent more than other 6 per cent. bonds; and it cannot be an outside estimate to suppose that of Sixes of 1881, and Five-Twenties of 1864 and 1865 there is \$100,000,000 more held abroad. If to this \$550,000,000 of Government bonds we add say \$50,000,000, as a probable estimate for all other securities exported during and since the war, it would appear not improbable that we have sent out, as an offset to this balance, about \$600,000,000 of securities. What the export of these securities has realised we have no means for knowing. In order to cover the adverse balance, they would require to have realised upon an average sixty cents on the dollar, in gold; which is perhaps just about the figure at which most parties familiar with the course of the foreign bond market would estimate the average cost of our securities to European holders.

We make no pretensions to precise accuracy in these estimates, for, in the absence of records, precision is out of the question. If we have succeeded in giving very probable guesses, then we have contributed something toward divesting a very important question of much vagueness and misapprehension.

THE ROUTES OF THE PRECIOUS METALS.

Considering the close economy which regulates the movements of the precious metals, it is remarkable that bankers have never yet attempted to remedy the losses arising from the circuitous routes by which gold and silver find their way from the countries in which they are mined to their final reservoirs. At the present time London is the great distributing centre. She has received for the last two years, chiefly from California, Mexico and Australia about \$135,000,000 of gold and silver, and of that amount has exported about \$90,000,000, or two thirds. The ultimate destination of a large portion of these exports is the East, part being shipped direct from London, and part by way of Mediterranean ports. During the last two years, the specie shipments from Southampton and Marseilles, by the steamers of the Messageries Impariales and of the Peninsular and Oriental Steamship Company, have averaged \$60,000,000, an amount much below the average of the five preceding years. Of this amount more than one-half has gone to India, one-fourth to Egypt, and the remainder to China and other minor points. The East is thus swallowing up nearly one-half of the current production of the precious metals.

It is of course a matter of much consequence to the foreign banking interest at large that this immense amount of gold and silver, by which Eastern products are paid for, should be removed from the point of production to its final destination at the lowest possible cost, and with no unnecessary loss of time. According to the present route of distribution, California gold is shipped from San Francisco to London, partially direct and partially by way of Panama and New York, and then from London to the East—a strange and costly zig zag, passing through 100 degrees of longitude and 200 of latitude. The Australian product is shipped chiefly to London direct, and thence takes the eastern direction; the route from the mines to the final reservoir, being in this case through 230 degrees latitude and 120 of longitude. Now, between Melbourne and Madras a direct route covers only 60 degrees latitude and 50 longitude; while a direct route between San Francisco and Madras would pass through 160 degrees latitude and 28 degrees longitude. The distances of the present indirect route and of a direct route, between Melbourne and Madras, and between San Francisco and Madras, respectively, therefore compare thus:

		Direct route, degrees.	Indirect route, degrees.
San Francisco to Madras.....	{ latitude	160	200
	{ longitude	28	100
Melbourne to Madras.....	{ latitude	60	230
	{ longitude	50	120

A mere glance at these figures will show that the present routes of distribution involve a very heavy loss in the costs of transportation and of interest, as compared with what would obtain in the event of the adoption of the more direct lines of shipment. Until now, the direct route between California and the East has been unavailable for European

remittances, from the lack of adequate transportation and telegraph facilities. The Atlantic Cable and the opening of steam navigation between San Francisco and Hong Kong have totally changed the conditions of this question; and we cannot see what reason can be assigned why that portion of the California product which has usually gone to Europe should not take a direct route to the East. The steamers of the Pacific Mail Steamship Company now make the voyage to Hong Kong in about 25 days. A banker in London or Paris has but to transmit an order by cable to his agent in New York to remit gold on his account to, say, Madras; the New York house may telegraph to its agent in San Francisco to make the remittance to Hong Kong by steamer, en route to Madras; the gold is taken by the next steamer from Hong Kong to its destination; and is in the hands of the receiver within forty days from the date of the order for remittance. We think it is demonstrable that remittances made in this way would be attended with a very large reduction in expenses. As nearly as we can ascertain, the following would be the chief items of expense in the transportation of silver by the respective routes:

SAN FRANCISCO TO INDIA VIA LONDON.

Freight from San Francisco to London.....	1.96 per cent.
Insurance " "	90 "
Freight from London to China.....	2.00 "
Insurance " "	1.00 "
Commissions at London.....	25 "
Total costs.....	6.01 per cent.

SAN FRANCISCO TO INDIA VIA HONG KONG.

Freight from San Francisco to Hong Kong.....	1.57 per cent.
Insurance " " "	79 "
From Hong Kong to Madras, say half these rates...	1.18 "
Total from San Francisco to India.....	3.54 per cent.
Deduct interest for difference in time.....	40 "
Total	3.14 per cent.

There is a slight difference in favor of London in the cost of refining: allowing for which, it would appear that the balance in favor of direct shipment is about 2.97 per cent. Had the comparison been made between direct shipment and the Panama, New York and London route, which is the most general line of treasure transportation, the difference would have been still greater in favor of New York.

We cannot but think that the intelligent economy of foreign bankers will soon cause them to appreciate the great advantage opened through the connecting of Great Britain and the Continent with the East by telegraph and steamer. Already there are symptoms of an inclination to try the direct route. The steamer sailing from San Francisco to Hong Kong, Sept. 3d, took out \$980,000 in treasure, and that sailing on the

14th of October \$1,080,000; which, together, are equal to about four months' ordinary shipments in that direction; and yet the amounts taken by sailing vessels are about up to the average. As the number of steamers on the route is increased, this movement may be expected to increase, until ultimately the whole of the California surplus takes that course to the East; and when the Pacific Railroad is completed, a portion of the gold and silver product of the territories will also find its way to San Francisco to aid in satisfying the Asiatic consumption. This new drift of the gold current foreshadows an important di-version of exchange operations from London to New York, to be followed by a large accession to the monetary power of this centre. For a time the London banking interest may cling to the old routes, but competition will not be slow to avail itself of the important economy in remittances offered by the new line. Our own payments for imports of India and China products especially cannot long continue to be made through London; bills upon San Francisco being equally available as bills on London, and on more favorable terms.

RENSSELAER AND SARATOGA RAILROAD.

From Troy, Albany and Schenectady there extends a series of railroads, which find their termini at Whitehall at the head of Lake Champlain, and at Rutland, Vt., where a connection is made with the roads leading north to Canada and east to Boston. These lines occupy in the railroad system of New York a position which secures to them an extensive control over the valuable traffic between the St. Lawrence and the Hudson—the ports of New York and Montreal. The branch connecting with the Erie Canal at Schenectady is chiefly valuable for freighting Western produce to the eastern consuming centres.

Until recently these several lines were owned by different companies, and operated as competitors one against the other for what under a recent consolidation of interests has become an undivided commerce.

The consolidation here spoken of, includes the Rensselaer and Saratoga, the Saratoga and Whitehall, and the Troy, Salem and Rutland companies, the consolidated capital of which is placed at \$2,500,000. The funded debt of the new company amounts to \$1,500,000. The total length of the companies lines is 134 miles; and under perpetual leases the same company is operating the Saratoga and Schenectady, the Albany and Vermont and the Rutland and Whitehall railroads together 41 miles—making the total length of road operated 175 miles, not including over 21 miles of second and side tracks. The company also owns the toll bridge across the Hudson at Troy, of which the average net income is about \$20,000. The total cost of all the property, including rolling stock, was originally \$6,945,392. As now consolidated and capitalized the value of the property and leases of the company is placed at \$4,713,071, showing a surplus above cost in favor of the consolidation amounting to \$2,232,321.

The gross earnings of the lines now consolidated were in 1862 \$566,074; in 1863, \$712,801; in 1864, \$966,608; in 1865, \$1,095,919, and in 1866, \$1,301,-

922. After paying operating expenses and lease rents (\$69,592 per annum,) the consolidation has divided on the average $7\frac{1}{4}$ per cent. per annum to the stockholders.

The steady and regular increase of the business of these roads, both before and since the consolidation of 1865 (now being perfected by the issue of consolidated stock) has been partly owing to the development of the local business of the lines and partly to the increased closeness of the connection between the company's roads and the Rutland and Burlington and the Troy and Boston Railroads, growing out of contracts with those companies, by which the business of the "North and South Through Line," between the Hudson and Montreal, and the "East and West Through Line," between Schenectady and Boston is done, entirely over the roads of the Rensselaer and Saratoga companies. The transportation of freight and produce by the East and West Line is rapidly increasing. Starting from Schenectady (where extensive improvements have been made for transhipping from the canal to the railroad) the route is *via* Whitehall, Rutland and Fitchburg. Though somewhat longer than the route by canal from Schenectady to Albany and thence by the Western Railroad, it is asserted that the cost of transportation is much less. By this route, indeed, twenty-eight canal lockages are avoided, and also the less facile means of transhipment at Albany.

The East and West line also connects at Schenectady with the Central Railroad, and forms part of one of the great trunk lines between Boston, Chicago and St. Louis, by which freight and passengers are carried without breaking bulk or changing cars, and as promptly as by the Western railroad.

The results of the consolidation of these lines under a single administration, as appears from the rapid development of their business during the last few years, are satisfactory; but are simply a repetition of those which have occurred in nearly all previous instances of railroad consolidation. Harmony of action is the necessary element to success for business, and this is seldom found where two or more heads govern. By consolidation the gross earnings are increased under improved management, and the costs of operating and administration are reduced to a minimum. The success of the Rensselaer and Saratoga Railroad in its consolidated capacity is a conspicuous instance of the beneficial effects of the unity of purpose and action thus obtained.

PROSPECTS OF THE GOLD PREMIUM.

In a previous article we have reviewed the course of the foreign trade of the country for the last six fiscal years, and showed that, although a large adverse balance had accumulated upon the trading account, yet there was good reason for considering that the debt had been set off by the export of securities, and that consequently the condition of our foreign balance gives no countenance to the supposition that we are liable to an excessive drain of specie in settlement of our foreign account. This consideration is chiefly important as bearing upon the prospective price of gold; and we now propose to supplement it by a survey of such

other circumstances as may be deemed likely to affect the premium during the next few months.

The principles mainly regulating the value of gold, aside from the currency question, are the standing of the public credit, the supply of the precious metals and the demand for them—the supply and demand not only actual but prospective or estimated. Let us then scan the future with regard to these general considerations.

For some time past there has been a concurrence of circumstances tending to elevate the standing of the Government credit. As the most recent, we may specify the result of the late elections; which may be viewed not only as removing the dangers of impeachment, but also as signaling a reaction from extreme political measures, and as favoring the cultivation of a more harmonious sentiment toward a late hostile section. The National finances also have exhibited an improvement unequalled in the history of any nation similarly circumstanced. Since the close of the last year of the war we have reduced the net debt 225 million dollars, and we have converted into a permanent form upwards of 500 million dollars of short obligations, which have been regarded as the principal danger of embarrassment connected with the finances. Our revenues have been overflowing; and yet, with much depression in business, the people have shown no impatience under the public burthens. In the ordinary course of affairs we shall find ourselves, nine months hence, with the entire short debt funded into twenty-year obligations, or otherwise permanently disposed of; and that which has always been regarded as the chief obstacle to the resumption of specie payments will thus be removed. The greenback circulation has been contracted from 424 million dollars in January, 1866, to 357 million in November, 1867; and the continuance of the monthly contraction of four millions to the close of the current fiscal year would reduce the total to 325 million dollars. This large reduction in the demand obligations has, of course, a most direct tendency to inspire confidence in the ability of the Government to redeem its promises; and the more so because the reserve of coin in the Treasury is at the same time accumulating, and in July next is quite likely to amount to about 30 per cent. of the greenback circulation.

The importance of these facts has been lost sight of in the excitement attending the vicissitudes of foreign and domestic politics; and it would seem that the public must soon wake up to the consciousness that we are being brought to the resumption of specie payments much more closely than they had supposed. From these considerations it is manifest that the firmness of the premium for some months past has been in opposition to the course of the public credit.

And next, as to the supply of precious metals. On the 31st October there was in the Treasury 14 million dollars of private coin on deposit; and on the 1st inst. 25 million dollars became due to the holders of coupons, making, together, 39 million dollars in the hands of the public; to which may be further added, say, 4 million dollars of coin proper in the banks. On the 1st of January about 20 million dollars will become payable on coupons, and 9 million more in redemption of United States Sixes of 1867. In view of the large payments on January 1st, it is probable that the Treasury may not sell gold to the average extent

during the interim; and yet from the low state of the currency balance it may be found necessary to sell a portion of the customs receipts, say six millions for the two months, or half the average rate. This being the case, we should have a total supply from November 1st to January 1st of about 78 million dollars, an amount in the hands of the public unequalled at any period within the last four years, and more than double the average supply for many months past.

What are the prospects of the demand? The course of foreign trade is not favorable to the anticipation of any important demand for exportation. Last year, our imports at this season were unusually heavy, while our exports, except of cotton, were exceptionally light. This season the imports are light, under a reaction from the over-importations for the Spring trade; and as the results of the Fall trade are far from satisfactory, and trade is generally depressed, it is quite likely that the orders for Spring importation will also be on a strictly moderate scale. Our harvests have given us a liberal surplus of breadstuffs, which is likely to be bought by Europe at high prices; while our surplus of cotton will be somewhat larger than last year, though ruling at lower prices. The exports of flour at New York from the beginning of August to the close of October were, this year, 320,000 bbls., against 215 000 bbls. for the same period of last year; and of wheat 2,071,000 bushels, against 171,000 bushels last year. For the same period the imports at this port were this year 60 million dollars against 78 million last year; and the total exports 41 million dollars against 39 million last year. These facts indicate a very important change in the course of trade from this period of 1866, and so far indicate a probability that less than the usual amount of specie will be required for adjusting the excess of imports over exports of produce and merchandise. From the moderation of the imports it follows that the demand for coin for customs duties will fall below the late average. This, however, is not a consideration really affecting materially the supply of coin; for if the receipts of the Treasury are diminished, its sales will also be to a corresponding extent curtailed. The position of affairs in Italy has quieted the fears of an outbreak of a foreign war, and hence at the financial centres of Europe there is a more hopeful feeling than prevailed a few weeks ago; facts which are calculated to allay the apprehensions of a return of our securities and a calling home of balances which have been excited in some quarters by the unsettled condition of European politics.

From a survey of the whole question, therefore, it would appear that the gold premium is now freed from a combination of influences which for some months have been steadily fostering its inflation, and that, for the immediate future at least, it will be more fully regulated by the improving condition of the finances and the contraction of a redundant currency.

CROPS OF 1866 IN EUROPE.

At the present moment, when the condition of the breadstuffs market in this country and in Europe is regarded with so much interest, the statement which follows will furnish some valuable information as to the crops of the several countries of western and central Europe in 1866. These figures are furnished by Dr. F. B. W. Von Hermann, of the Bavarian Bureau of statistics.

Crop of cereals in the countries named in 1866 :

Countries.	Wheat, bushels.	Rye, bushels.	Mixed grain, bushels.	Maize, bushels.	Barley, bushels.	Oats, bushels.	Potatoes, bushels.
Austria.....	80,428,000	107,076,000	24,894,000	77,530,000	82,908,000	165,204,000	193,320,000
Prussia.....	13,792,000	103,476,000	.....	.....	23,208,000	117,974,000	214,806,000
Saxony.....	4,914,000	9,750,000	.....	.....	4,296,000	12,730,000	32,976,000
Wurttemberg.....	7,878,000	2,076,000	7,740,000	.....	6,276,000	9,642,000	22,356,000
France.....	257,198,000	68,130,000	22,062,000	22,506,000	46,250,000	166,578,000	156,144,000
Belgium.....	17,178,000	16,880,000	2,430,000	.....	4,242,000	20,028,000	72,054,000
Holland.....	3,990,000	8,616,000	.....	.....	3,600,000	10,104,000	42,944,000
Ireland.....	3,588,000	168,000	.....	.....	5,190,000	57,144,000	80,268,000
Bavaria.....	15,684,000	29,388,000	.....	.....	16,678,000	24,624,000	61,712,000

The same per acre is shown in the following :

Countries.	Wheat.	Rye.	Mixed grain.	Maize.	Barley.	Oats.	Potatoes
Austria.....	16.94	14.02	15.45	31.50	15.24	23.40	.....
Prussia.....	12.67	9.45	.....	.....	25.50	21.78	64.46
Saxony.....	24.70	25.04	.....	.....	80.56	39.14	18.86
Wurttemberg.....	15.16	20.19	17.04	.....	27.34	30.60	112.52
France.....	15.05	12.67	15.59	15.26	18.14	20.20	77.26
Belgium.....	21.60	22.88	23.98	.....	38.66	27.30	196.72
Holland.....	19.16	16.48	.....	.....	23.30	34.78	162.66
Ireland.....	15.16	18.21	.....	.....	27.29	29.36	79.20
Bavaria.....	15.10	16.14	.....	.....	19.92	21.98	203.24

The following shows the number of bushels produced, deducting seed, to each 1,000 of the population :

Countries.	—Bushels for 1,000 inhabitants, deducting seed.—				Bushels of oats for 1,000 horses, deducting seed.	
	Wheat spelts.	Rye.	Maize, all in rye.	Barley.		
Austria.....	1,866	2,373	1,644	7,332	1,815	39,766
Prussia.....	1,176	4,818	.....	6,582	1,140	60,522
Saxony.....	2,148	4,088	.....	7,410	1,890	116,748
Wurttemberg.....	3,816	1,002	.....	7,28	2,036	83,694
France.....	6,084	1,566	606	11,892	1,122	50,472
Belgium.....	3,372	2,892	.....	8,522	834	63,138
Holland.....	1,050	2,246	.....	3,624	954	35,304
Ireland.....	828	24	.....	3,734	774	79,026
Bavaria.....	2,778	4,128	.....	8,298	2,958	51,348

The same authority gives the following as the number of domestic animals for each 1,000 inhabitants of the same countries.

Countries.								
	Horses.	Cows.	Sheep.	Hogs.	Horses.	Cows.	Sheep.	Hogs.
Austria.....	642	1,152	3,006	1,500	Belgium.....	366	576	774
Prussia.....	576	1,098	6,114	968	Holland.....	444	1,704	1,566
Saxony.....	276	1,176	1,368	696	Ireland.....	630	1,782	3,600
Wurttemberg.....	336	1,636	2,382	756	Bavaria.....	486	1,956	2,634
France.....	480	772	5,580	882				1,188

MEMPHIS AND CHARLESTON RAILROAD.

In a previous number of the MAGAZINE we gave a historical review of this railroad up to the close of the fiscal year 1865-66. At that time the road was still in an incomplete condition. In July (7th) the bridge over the Tennessee River at Decatur was completed, and trains commenced through operations.

The following account shows the gross earnings and cost of working the road in the fiscal years ending June 30, 1866 and 1867, comparatively :

	1865-66.	1866-67.	Increase.	Decrease.
Receipts from passengers.....	\$582,157 64	\$920,799 03	\$338,641 39	.....
" From freight.....	589,916 62	636,886 85	46,970 23	.....
" Mails.....	20,506 43	27,799 62	7,293 19	.....
" Express.....	51,092 50	76,720 00	25,627 50	.....
" Rents & privileges.....	30,633 91	9,406 93	.....	21,226 98
Total receipts.....	\$1,274,307 10	\$1,661,612 43	\$387,305 33	.....

From which deduct operating expenses, viz. :

Conducting transportation.....	\$303,488 08	\$334,095 09	\$30,607 01	.....
Motive power.....	379,866 51	388,848 52	.....	41,017 99
Maintenance of way.....	577,631 37	329,497 00	.....	248,204 37
cars.....	92,078 30	111,984 36	19,906 06	.....
Total expenses.....	\$1,353,061 26	\$1,114,424 97	.....	\$238,709 29
Excess of receipts.....	.....	\$547,187 46	\$626,014 62	.....
Excess of expenses.....	\$78,757 16	.....	.....	.....

Of the expenses in 1865-66, \$702,899 33, and in 1866-67, \$475,627 77 were extraordinary, and made for permanent improvements and equipment. Deducting these, the net earnings in 1865-66 would be \$624,142 17, and in 1866-67 \$1,022,885 23.

The total fiscal operations of the company, as exhibited on the profit and loss account for 1866-67, are shown in the following abstract :

Passenger receipts.....	\$910,799 03	Expenses.....	\$1,114,424 97
Freight receipts.....	63,886 85	Interest on bonds.....	192,418 60
Mail and express.....	104,519 62	Discount on bonds sold.....	179,845 00
Rents and privileges.....	9,406 93	Balance from last year.....	78,464 64
Interest and exchange.....	23,865 38	Balance to credit.....	120,325 20
Total.....	\$1,685,477 81	Total.....	\$1,685,477 81

The road, with its branches, has a length of 295 miles, and including 37 miles of the Nashville and Chattanooga, the total length operated by the company is 332 miles. The average length operated in 1865-66 was less than 260 miles. The rolling stock on the 1st July 1866 and 1867 consisted of the following :

	Locomotive engines.	1st class pass.	Mail cars.	Box & bag'ge. freight.	Flat cars.	Stock cars.	Wreck cars.	Road & hand cars.
1866.....	52	24	19	29	111	9	1	79
1867.....	55	23	23	269	113	4	1	85

Of the engines in 1866, only 18 were in good order and 13 on running order; in 1867 there were 24 in good order and 16 in running order. Of the numbers stated in the table there were still on Southern roads, in 1866, five, and in 1867, three.

The number of miles run by engines with trains in the two years 1865-6 and 1867-7 compares as follows :

	Passenger.	Freight.	Others.	Total.
1865-6.....	137,670	166,562	100,819	405,051
1866-7.....	359,192	272,318	154,841	786,351

These statistics exhibit a great improvement in the business of the road, and speak well as to its management and capacity. With increased rolling stock, which is now being provided, and a full settlement of old accounts, this road will assert once more the favorable, financial position which its geographical direction assures to it. The financial condition of the company at the close of

the two fiscal years (June 30, 1866 and 1867,) is compared in the following statement :

	1866.	1867.	Increase.	Decrease.
Capital stock.....	\$5,312,725 00	\$5,312,725 00	\$.....	\$.....
Company bonds.....	1,294,000 00	1,531,000 00	237,000 00	.....
State of Tennessee.....	1,501,900 00	1,595,580 00	3,540 00	.....
Floating debt.....	1,462,314 37	921,937 12	.....	540,377 25
Receipts.....	1,432,863 22	1,685,477 81	252,615 59	.....
Total.....	\$11,003,891 59	\$11,046,669 93	\$.....	\$47,221 66

Against which are charged as follows, viz. :

Construction proper.....	\$5,643,561 74	\$5,959,003 63	\$315,439 88	\$.....
Incidental to construction.....	322,643 32	324,531 76	1,938 44	.....
Equipment.....	844,283 77	1,002,601 22	158,317 45	.....
	\$6,810,491 83	\$7,286,136 60	\$475,694 77	\$.....
Interest, expenses, &c.....	\$740,744 93	\$1,486,687 97	\$745,943 04	\$.....
Stocks and property.....	448,922 44	438,836 18	.....	10,083 86
Compon bonds.....	1,380,000 00	1,178,500 00	.....	201,500 00
Other assets.....	840,157 19	495,961 15	.....	.....
Profit and loss.....	804,032 52	78,464 64	.....	725,566 88
Cash on hand.....	69,443 68	82,032 99	12,589 31	.....
Total.....	\$11,003,891 59	\$11,046,669 93	\$.....	\$47,221 66

THE BEER TRADE IN GERMANY.

The manufacture and consumption of beer is increasing on the Continent, and it is supposed the large consumption at the Paris Exhibition will still further extend its use. The finest temple ever dedicated to King Gambrinus is in the Austrian part of the Exhibition park. It is a very large wooden building, of simple but admirable construction, with a light roof showing the timbers, and a broad gallery round the interior. It is well lighted and ventilated, and those who prefer the open air find plenty of accommodation under the spacious verandahs outside. The brewery to which this establishment belongs is the largest in Austria, and indeed on the Continent.

THE VIENNA BREWERIES.

The principal brewery in Austria is at Klein-Schwechat, near Vienna, and was established in 1632; but its importance dates only from 1833, when the late proprietor, Mr. Anthony Dreher, took possession of it.

Previous to this latter date the only beer brewed there was *obergahrig*, a highly fermented beer, which would not keep, but was consequently drunk at an early age. Mr. Dreher thoroughly revolutionized the brewery, formed immense store cellars, and introduced the slowly fermented lager beer, which soon grew into enormous popularity. During the first year of the reign of Mr. Dreher the quantity made at Schwechat amounted to 330,937 gallons.

In the year 1850 the brewery became totally inadequate to the supply required; the premises were extended, and machinery introduced instead of manual labor. Soon after this Mr. Dreher purchased a domain near Saaz, famous for its growth of hops. He laid out an extensive hop plantation, and also built a brewery there, according to the modern system.

In 1862 he purchased the landed property of Steinbruch, near Pesth, and erected a store brewery, answering all the modern demands. He had accordingly three large breweries.

The Schwechat brewery is the largest on the continent. Including malt floors, it occupies an area of twenty-one and one-third acres. Fourteen and a quarter acres are covered with vaults. The daily consumption of malt, made in the winter, is 1,500 bushels, requiring floors of six and one-third acres of area, and a storeroom for 18,000 bushels of raw barley, and magazines for storing 60,000 bushels of malt. Machinery is employed to convey the dry malt to the bruisers or crackers, and thence to the boiling-house, in which latter are six copper pans, the largest holding 6,230 gallons.

During the working months the make amounts to 47,348 gallons of beer daily. The fermenting rooms hold 1,246 vats, holding 654,773 gallons.

In the subterranean cellars, which together occupy an area of 3½ acres, there are 4,317 barrels or tuns, holding from 500 to 2,500 gallons each, or 5,160,869 gallons of beer in all.

At the side of the cellars, and in immediate connection with them, there are ice-pits of more than two acres area, in which 40,000 tons of ice can be stowed away.

In the works are employed three fixed and one portable steam engine, and one hydraulic engine; together 80 horse power.

They employ 350 brewers and brewers' assistants, and 250 draymen and laborers. Rails run through the whole establishment, and are connected with the railroad. The stables contain 72 horses and 240 dray-oxen.

From the 1st January, 1866, to 1st January, 1867, 5,989,148 gallons were produced, yielding a revenue to the government from this single brewery of nearly \$488,000.

In the Saaz brewery, built by Mr. Dreher according to the new system in the year 1861, the working is not confined to the winter months, but continues the whole year round; only the summer months are devoted to the brewing of tapping beer (Schank-beer), a beer peculiar to Bohemia, while the winter months are devoted to brewing lager-beer.

To effect the summer brewing without injury to the quality of the beer, very effective cooling apparatus is employed. The fermenting cellars are so abundantly supplied with ice that the temperature in them does not exceed 43 to 50 degrees of Fahrenheit, even in the hottest summer months, and in the store cellars the temperature is constantly kept to about 36 degrees Fahrenheit. The prize for beer at the Paris Exhibition was gained by the Schwechat brewery.

The three breweries named yield a yearly income to government of \$628,855.

THE MUNICH BREWERIES.

These statistics of the great Austrian breweries cannot be matched on the Continent; but Munich is better known as a brewing region than Vienna. The breweries of Munich are freely thrown open to young brewers, and 30 years since Dr. Kaiser, technological professor in the University of Munich, established a course of scientific lectures on the subject, which have been attended by more

than a thousand young men. One of the famous Bavarian breweries in Munich has given practical instruction to more than 300 of these pupils.

The production of beer has been doubled in Bavaria in 30 years, and at the same time the number of breweries has diminished; machinery has to a great extent replaced hand labor, and this has led to the formation of very extensive establishments.

THE KING OF BAVARIA A BREWER.

In Munich there are 16 breweries in operation, 2 of which are worked for account of the King of Bavaria, 13 belong to private individuals, and 1 to a monastery. Nuremberg has 24, and Augsburg 71. In point of quantity of beer Munich outstrips all her competitors.

BEER AND WINE.

While the manufacture and consumption of beer is rapidly increasing, wine is quickly decreasing. Twenty years ago there were in Lower Austria 80,000 yochs or 120,000 acres of vineyards under cultivation, which produced annually 2,000,000 eimers or 30,000,000 gallons of wine. There are now only 66,000 yochs of vineyards, producing 1,000,000 eimers or 16,000,000 gallons.

During the same time the manufacture of beer has increased from 1,400,000 eimers or 21,000,000 gallons, to 1,900,000 eimers, or 43,000,000 gallons, being more than double. This last quantity was brewed in 1865; and by the former years' rate of growth it may safely be calculated that the consumption now amounts to 52,000,000 of gallons.

There are at present 114 breweries at work, employing 1,500 workmen, and have 30 steam engines of 750 horse-power. Each workman produces 2,000 eimers, or 30,000 gallons of beer yearly. The workmen's wages are 1 to 1½ florins per day (50 to 75 cents), with board and lodging.

WESTERN NORTH CAROLINA RAILROAD.

The Western North Carolina Railroad extends from the important city of Salisbury westward to Morgantown 78 miles. To the latter point the road was completed before the late war broke out, as was also a branch from the main line to Newtown.

Among the several great lines of railroad which are intended to connect the Southern Atlantic seaboard with the Ohio and Mississippi, and the vast producing countries north and west of these rivers, this railroad occupies a geographical position which will make it a significant competitor for the rich commerce which the completion of the system of which it is a member will undoubtedly develop and be supported by. This system commencing at Morehead City, on Beaufort Harbor (the best port south of Cape Hatteras—deep, capacious, and of fine approach from the sea), will be extended through the length of the State, and on the edge of Tennessee connect with the system of the latter State. The first link in this chain of communication is the Atlantic and North Carolina Railroad, from the harbor aforesaid to Goldsboro, a distance of

ninety-five miles; thence the North Carolina Railroad extends to Salisbury a further distance of 180 miles, and lastly comes the Western Railroad already completed to Morgantown 78 miles. Had construction not been arrested by the war this road would by this time have been open to traffic to the Western line, an additional distance of 106 miles—making a total length through the State of 459 miles.

This great thoroughfare may be considered as the main artery of the State. Connecting roads carry it towards Richmond and Norfolk, and at Charlotte it connects with the system of South Carolina. The principal engineering difficulty yet to be encountered will be found in the mountain region which divides North Carolina and Tennessee, but even here there are several passes which will afford the requisite grades for easy working, that of French Brook being the one chosen for this railroad.

Whatever may be the destiny of the line as a thoroughfare however, there appears to be a sufficient local business for its support. The Atlantic and North Carolina, and the North Carolina railroads, have both done well in spite of the difficulties engendered by the late hostilities. The further extension of such a line must always be adding to its productiveness, and when the great West is pierced a large portion of its trade will come directly east to the Southern ports, rather than by the more roundabout avenues from the interior to the northern and middle seaboard. A glance at any good map must convince the most sceptical on this point.

The Western Railroad (between its present termini) was built at a total cost of \$2,227,000, which sum includes cost of rolling stock. This is about \$27,500 per mile. The western continuation may cost a larger sum per mile, and probably will. But when constructed, the capacities of the road will be larger. We have said this much in relation to this railroad because we find its position to be excellent (as we have already stated), and because we believe that the interests of the very extensive country through which it will pass, demand its immediate construction.

So far as built (81 miles) it has been constructed on share capital. The company have no funded debt; their only liability amounts to about \$64,000 floating debt.

ARTIFICIAL MEERSCHAUM.

Artificial meerschaum is now prepared for commerce, according to the Chemical News, by mixing 100 parts of silicite of soda, at 35 degrees, with 60 parts of carbonate of magnesia and 80 parts of native meerschaum or pure alumina—the mixture to be carefully pulverized, finely sifted, boiled with water, and placed in porous moulds. It is presumed the “silicate of soda at 35 degrees” means silicate which, when in solution, would stand at 35 degrees Beaume; and the further presumption is in order that much of the “genuine meerschaum” displayed in big windows of pipe manufacturers is mixed according to the foregoing, or some other recipe.

CONSEQUENCE AND DIVERGENCE OF WESTERN TRADE.

The causes which serve to concentrate the traffic and travel between the East and the West, upon the great lines of railroad near the southern shore of the great lakes will continue to operate in a constantly increasing ratio under the influence of the rapid growth of the West and the Northwest, and the extension of the Pacific Railroad. Much of the freight designed for the Southwest, and which leaves the east and west routes at various points as far west as Chicago, will undoubtedly continue to find a channel by way of St. Louis; and the marvellous career of growth and prosperity upon which the States of Arkansas and Texas and Southwestern Missouri have entered or about to enter, under the influences of peace and a restored Union, will insure for our neighboring city on the Mississippi a commercial future of wonderful prosperity and splendor. Hannibal, Quincy, Keokuk, and Burlington, on the north, and Memphis and Cairo on the south, will no doubt dispute and divide this trade with the "Mound City" with more or less success; but the latter will undoubtedly retain its pre-eminence as against those for a long time to come, if not permanently. But, so far as the traffic of the West—the wide and rapidly developing fields of Wisconsin, Iowa, Minnesota, Nebraska, Kansas, Colorado, Dakota, Montana, &c., is concerned, it is evident that there will be an increasing tendency to concentrate at Chicago, both as a starting and receiving point, as well as in transit. The geographical configuration of the country, no less than the great lines of traffic and travel already constructing, have determined that here, at the lower point of Lake Michigan, must the vast and expanding commerce of the West and Northwest converge, meeting the returning tide from the East, just as certainly as Egyptian Alexandria monopolized the trade between Europe and the Indies two thousand years ago. And a few years hence, when the completion of the Pacific railroad shall have furnished an unbroken line of communication between the Atlantic and Pacific shores, it must become, not merely to a much larger extent than ever before the center of trade for the Mississippi Valley and the region of the Lakes, but also the great interior mart for the exchange of the commerce of two hemispheres.—*Chicago Republican*.

THE GRASSHOPPER ARMY.

The grasshoppers and dog-fennel are about taking Iowa, and would probably, succeed but for the fact that the former are "death" on the latter, and gobble it up "root and branch" as fast as they can get to it. Having rollicked around over Western and Southern Iowa until they have grown tired of the scenery and needing a change of pasture, they are coming "thisward," and the advance guard of the chattering hosts are only twelve miles from our city gates.

In conversation with Mr. Godfrey Jerue, of Guthrie county, one of the wounded heroes baptized in his own blood at Missionary Ridge, and a perpendicular Radical who draws a weekly draught of sound doctrine from the Register, we learned yesterday that the locusts are literally swarming over Beaver Thompson and Guthrie Center townships of that county. They are of the

small, gray pattern, and seem to have no particular "tooth" for corn blades, and have, in many fields, stripped the stocks entirely, leaving nothing but the "bare pole" and the ears, which make a most awkward appearance, dangling "alone in their glory." Instead of being a damage to the corn, they are a benefit to it, as they check the growth and hasten the maturity of the grain. Mr. Jerue arrived in this city yesterday morning, having come straight through from Guthrie Center, by the Adel road. Around Adel they are doing no damage, but seem to be having a general hopping-around time, without harming anything. Our informant states that he could see them all along the road until within eleven or twelve miles of Des Moines. With fair winds they will probably reach here soon, when they will be able to tell their own story.—*Des Moines (Iowa) Register, September 16.*

STOCKS OF MERCHANDISE AT NEW YORK.

The following is a statement of the stocks of leading articles of merchandise at New York at the dates named :

	1867		1866
	Oct. 1.	Nov. 1.	Nov. 1.
Beef, tierces and barrels.....	544	15,109	10,834
Pork, barrels.....	62,797	47,457	53,297
Tobacco, foreign, bales.....	3,669	4,759	9,200
Tobacco, domestic, hogsheads.....	30,871	29,888	25,390
Coffee, Rio, bags.....	63,033	106,902	39,517
Coffee, other, bags.....	12,910	23,744	27,794
Coffee, Java, mats.....	14,490	7,245	15,000
Sugar, hogsheads.....	46,774	27,896	49,750
Sugar, boxes.....	59,694	47,294	41,324
Sugar, bags.....	30,190	29,519	58,140
Molasses, hogsheads.....	8,615	8,030	7,915
Hides, No.....	142,100	174,200	49,000
Petroleum, crude, barrels.....	5,585	21,900	17,739
Petroleum, refined, barrels.....	34,680	44,319	56,281
Cotton, bales.....	50,000	29,877	79,000
Rosin, barrels.....	32,508	78,911	60,707
Crude turpentine, barrels.....	323	603	161
Spirits turpentine, barrels.....	4,223	4,181	4,356
Tar, barrels.....	1,043	1,085	3,625

SAN FRANCISCO BULLION MOVEMENT.

The supply of bullion during the past nine months has been as follows :

	1866.	1867.
Imports.....	\$1,017,123	\$1,655,206
Coastwise receipts.....	4,699,606	4,419,556
From Northern mines.....	29,775,101	31,973,874
From Southern mines.....	3,418,456	3,228,353
Total.....	\$38,910,168	\$41,407,089
		38,910,286
Increase nine months, 1867.....		\$2,496,803

This does not represent the whole production, but simply the receipts from Wells Fargo & Co. The receipts in October, since the close of the above table, are about \$1,000,000. The exports in the same period have been, as follows :

To	1866.	1867.
New York.....	\$928,708 43	\$595,266 96
England.....	100,787 75	154,988 30
Panama.....	5,000 00	5,000 00
Acapulco.....	3,504 00	
Total.....	\$1,038,000 18	\$755,255 26

Honolulu.....	40,000 00	.....
China.....	303,983 01	.....
Previously.....	32,724,087 05	30,607,453 05
Total since January 1.....	\$34,107,070 23	\$31,362,708 31

A CANAL FROM THE MISSOURI TO THE GULF.

As everything relating to the improvement of the "Father of Waters" is of interest, we publish the following. It has been published by Dr. John H. Henry, and may be pronounced as a decidedly grand scheme. He says:

Let the nation be made a great workshop for its laborers, which would not only revive the prosperity of the South but the whole country, enabling the people to pay and bear the burden of taxation.

We propose by government assistance to unite the waters of the Missouri river with the waters of the Gulf of Mexico, through a new and safe channel, beginning with a canal at Kansas city, on the Missouri river, running to a branch of the Osage, connecting by canal with the Neosho river at the falls running two hundred and fifty miles or more to Fort Gibson on the Arkansas river, then running down the river to Fort Smith, passing around the base of the San Boies mountain, through a small branch of the Arkansas river, into a branch of Red river by canal, then running down Red river some distance to a branch of Red river, connecting by canal through Gaines' creek with a branch by canal through Sabine river, running three hundred miles into Sabine bay. The fall of this great Sabine and Neosho canal or Sabineosho river will be two thousand feet, making the canal most feasible and practicable.

There will hardly be the hundred and fifty miles of canal; but the great benefit will be in the changing the course of these great rivers in high water so as to save lands in lower Mississippi and Arkansas from overflow, reclaiming of thousands of acres of the best lands of the finest part of our country. The land in Kansas and Indian territory and Texas will increase in value millions of dollars, and support a more dense population than can live in the Mississippi bottoms under the present levee system. The great canal saving all the lands on the Mississippi river, and Arkansas and Red Rivers, doing away with the levees entirely, can be completed at a cost of twenty-five millions of dollars, and it will last for all time.

The great river or canal, running through a country vast in extent, can be completed in three years, at a cost of nine millions of dollars. Creating cutoffs in the river, and straightening the channel of the river can not prevent the filling of the channel. But making new and opening old outcuts, and changing the course of the volume of the water in the Mississippi, Arkansas and Red rivers, and throwing the large volume of water by the Sabine bay, and on the east throwing the waters of the Yazoo river and the Big Black into Pearl river, thence into the Alabama to Mobile bay, thence to the gulf, is the only way to control the Father of Waters, and render a lasting blessing to mankind.

This great river being the outlet of an immense valley, and the great traveling and commercial thoroughfare of this vast country, whatever effects the permanency of its channel or general character as a navigable stream must excite an interest in the minds of the people of the Union, but more especially those that reside in the immediate valley.

NEW COAL DISCOVERIES.

The consular agent of France at Formosa has lately made known the existence of coal at Ponghau, the chief island in the group of the Pescadores, which lie between Formosa and the coast of China. There is a good port in the island of Ponghau called Nabung, with excellent anchorage at all seasons of the year and in all weathers. A commercial publication, the *Annales du Commerce*, says that the only bed of coal yet discovered is at the northern extremity of the island, but that it is probable other beds will be found throughout the whole extent of the subsoil, as well as in the other islands in the same group. No exploration has yet been attempted, nor would it be permitted by the Chinese, so that the supply of coal is limited to such as can be found on the surface, which is necessarily of an inferior quality.

PRIMARY EDUCATION IN ENGLAND.

The statistical Blue-book lately published by the British Board of Trade exhibits in a tabular form the present state of primary education in Great Britain. From this table we learn that the number of schools inspected has increased from 3,825 in 1854 to 8,753 in 1866; the number of children who can be accommodated from 588,000 to 1,724,000, the average number of children in attendance from 461,000 to 1,082,000, and the number of children present at inspection from 473,000 to 1,287,000.

There are also a large number of schools throughout the kingdom which do not receive Government assistance and are not visited by the inspectors. The number of children in such schools is probably less than that in the schools of the other class.

From the same source we learn that the expenditure by the state for public education has increased from £189,000 in 1852 to £813,000 in 1861. In 1863 the grants under the Revised Code commenced, and amounted to £83,000 out of a total expenditure of £721,000. In 1866 the grants under the Revised Code had advanced to £402,000, out of a total expenditure of £649,000.

Since 1852 the population of Great Britain has increased by two and a half millions. The total population is more than twenty-four and a half millions. It will be readily seen that the appliances for educating the young Britons are inadequate, that they have not increased in the ratio of the increase of population, and that Mr. Fawcett and his friends are quite right in agitating for a more efficient school system.

CHICAGO, BURLINGTON AND QUINCY RAILROAD.

The operating accounts of this company for the years ending April 30, 1866 and 1867, compare as given in the following statement:

	1865-66.	1866-67.	Increase.	Decrease
Passenger earnings.....	\$1,757,387 99	\$1,543,714 15	.....	\$213,673 84
Freight ".....	4,204,740 82	4,124,692 99	.....	80,047 83
Miscellaneous.....	213,424 54	414,730 91	201,306 37	.....
Total gross earnings.....	\$6,175,553 35	\$6,083,138 05	.....	\$92,415 30
Operating expenses.....	3,020,164 78	3,093,574 07	\$73,409 29	.....
Net earnings.....	\$3,155,388 57	\$2,989,563 98	.....	\$165,824 55

The following statement exhibits the total income of the company in the years severally and the manner of its disbursement :

	1865-66.	1866-67.	Increase.	Decrease.
Net revenue as above.....	\$3,155,383 57	\$2,989,563 98	.....	\$165,824 55
Interest and exchange.....	30,162 17	63,723 70	33,571 53	.....
Balance from Quincy & Chicago R. R.	81,176 06	.....	.....	81,176 06
Balance of income.....	988,401 63	588,691 55	.....	399,709 48
Total resources.....	\$4,255,117 83	\$3,641,979 23	.....	\$613,138 60

—which amounts were disbursed on the following accounts, viz.:

	1865-66.	1866-67.	Increase.	Decrease.
Rent of tracks and depots.....	\$17,457 92	\$14,288 14	.....	\$3,169 78
Transfer office expenses.....	1,583 33	1,000 00	.....	583 33
Interest on bonds.....	421,566 34	406,758 31	.....	14,808 03
Prem. on fractional stock.....	64 88	.....	.....	64 88
Illinois taxes.....	169,619 96	113,325 74	.....	56,294 22
National taxes.....	323,040 16	131,201 04	.....	191,839 12
Improvements.....	6,668 68	.....	.....	6,668 68
Dividend, May.....	418,825 00	509,650 00	90,825 00	.....
" November.....	503,300 00	509,650 00	6,350 00	.....
Stock distribution.....	1,675,300 00	.....	.....	1,675,300 00
Transfer to sinking fund.....	129,000 00	50,000 00	.....	79,000 00
Balance to credit of income.....	588,691 55	1,905,496 00	1,316,704 45	.....

The balance as here given was subject to the April dividend, 1867. In September, 1867. in addition to the usual dividend, amounting to \$547,315 78, leaving accumulated earnings at \$1 358, stock dividend was made in the proportion of one share to every five shares at that date outstanding, being 20 per cent. of the total amount. This distribution made the capital stock about \$12,500 - 000, at which it now stands.

The financial condition of the company, as exhibited on the balance sheets of April 30, 1866 and 1867, is shown in the following statement :

	April 30, 1866.	April 30, 1867.	Increase.	Decrease.
Capital stock.....	\$10,193,010 00	\$10,399,000 00	\$206,000 00	.....
Rounded debt.....	5,754,405 25	5,458,250 00	.....	296,155 25
Operating accounts.....	204,206 73	365,522 02	161,315 24	.....
Sinking fund.....	778,125 99	828,725 99	50,600 00	.....
Income credit.....	588,691 55	1,905,496 00	1,316,804 45	.....
Total debit.....	\$17,518,440 57	\$18,957,024 01	\$1,438,583 44	\$.....

Against which are charged the following accounts, viz :

Construction (400 miles).....	\$12,777,551 92	\$13,346,710 70	\$469,158 78	\$.....
Equipment.....	2,670,309 80	2,956,327 53	286,117 73	.....
Materials and fuel, &c.....	426,803 60	452,204 10	25,398 50	.....
Accounts and bills receivable.....	82,116 35	203,373 96	121,257 61	.....
Burl'n & Mo. River R.R. pref. stock (3 instalments).....	59,976 59	180,022 22	120,046 63	.....
Due from agents and connecting roads.....	131,224 18	64,728 74	.....	66,505 44
Account of North'n Cross R.R. bonds not called for.....	270,000 00	270,000 00	.....	.....
Dividends No. 11 and 13 and tax.....	536,473 68	547,315 78	10,842 10	.....
Deposits in New York, Boston and Treasury.....	348,317 71	746,575 13	398,257 42	.....
Deposits with Trustees of Sinking Fund.....	221,664 86	282,664 86	61,000 00	.....
Total credit.....	\$17,518,440 57	\$18,957,024 01	\$1,438,583 44	\$.....

These results are certainly very favorable, and were thought to warrant the distribution of stock in September last. In order to show the effect of the results indicated on the price of shares of the company in New York, we append the following statement of the monthly range for the last five years :

1867]

THE NATIONAL BANKS OF BOSTON.

	1862-63.	1863-64.	1864-65.	1865-66.	1866-67.
May.....	64½ @ 73	108 @ 120	126 @ 142	161 @ 110	113 @ 117
June.....	75 @ 80	113 @ 116	126½ @ 132	104 @ 108	116 @ 121
July.....	74½ @ 78½	114 @ 116½	126 @ 132	109½ @ 112	124 @ 125
August.....	78 @ 87	115 @ 126½	127 @ 131	111 @ 113	129 @ 130
September.....	85½ @ 96½	120 @ 123	117 @ 127	112 @ 125	128 @ 138½
October.....	100 @ 119	122½ @ 131	111 @ 118	124 @ 130	132½ @ 137
November.....	53 @ 116	116½ @ 124½	115 @ 120	110½ @ 115	181 @ 133½
December.....	86½ @ 88	115 @ 117½	116½ @ 118	113 @ 117	130 @ 134
January.....	99 @ 111½	118 @ 129	114 @ 120	109½ @ 114	129 @ 132
February.....	105 @ 110	122 @ 133	115 @ 120	112 @ 112	127 @ 130½
March.....	106 @ 110	131½ @ 146	100 @ 115	113½ @ 115	129½ @ 132
April.....	107½ @ 112½	132 @ 149	103 @ 117	115 @ 117½	130 @ 135
Year.....	64½ @ 119	108 @ 149	100 @ 142	102 @ 130	113 @ 138½
Cash dividends, per cent ..	9	9	13	10	10
Stock distributions ..	20	..	10	20	..

The range in May was 130@132; in June, 132@142; in July, 144@150; in August, 148@150; in September, 124@126½, and in October, 126½@137.

THE NATIONAL BANKS OF BOSTON.

The following is a detailed statement of the condition of the National banks of Boston on the first Monday of October, 1867, prepared by Messrs. Walley & Bates, bankers of Boston:

Name.	Capital.	Circulat'n.	Individual deposits.	Gov's.*	Surplus	Last
				p.ct.	div.	p.c
Atlantic National.....	\$750,000	\$446,620	\$541,535 74	\$579,100	.27	5
Atlas	1,000,000	795,010	775,861 52	1,122,650	.14 3-5	5
Blackstone	1,000,000	791,915	1,307,955 47	1,010,600	.30½	5
Boylston	500,000	444,649	591,548 92	615,000	.25	6
Broadway	200,000	174,745	164,915 86	220,000	.11	5
Columbian	1,000,000	797,321	805,021 70	900,000	.12½	5
Continental	500,000	442,966	664,718 47	542,000	.21	5
Eliot	1,000,000	796,000	786,578 02	906,000	.14	5
Faneuil Hall National	1,000,000	543,398	1,163,502 27	772,000	.10	5
First	1,000,000	793,514	836,309 75	1,450,000	.59½	6
Freeman's	400,000	354,261	413,746 33	440,650	.30½	8
Globe	1,000,000	360,000	1,298,035 90	400,000	.30	5
Hamilton	750,000	242,450	1,052,140 29	653,500	.09½	6
Howard	750,000	440,656	612,497 64	510,000	.09½	5
Market	800,000	351,698	803,413 70	489,000	.11	4
Massachus's	800,000	353,844	777,350 83	568,000	.22½	5
Maverick	400,000	244,615	200,105 83	275,000	.21½	4
Mechanics	250,000	199,587	191,882 43	230,300	.05	5
Merchants	3,000,000	1,841,500	1,871,676 50	2,850,000	.27½	5
M't Vernon	200,000	176,785	348,840 00	205,000	.25	6
Nat Bank of Com'ce	2,000,000	998,452	1,658,894 11	1,130,000	.19 1-3	5
" of N. A.	1,000,000	596,873	541,746 58	692,500	.05	4½
" of Redem.	1,000,000	800,000	917,052 10	1,508,500	.12½	4
" of Repub.	1,000,000	799,400	613,983 87	1,260,000	.38	6
National City	1,000,000	456,495	626,441 58	510,000	.07½	4
" Egle	1,000,000	347,057	880,130 90	400,000	.17	4
" Exchange	1,000,000	798,570	892,529 06	521,000	.45½	6
" Hide & Leth.	1,000,000	794,401	938,908 25	906,150	.33 4 5 7	
" Revere	1,000,000	832,790	1,534,313 57	370,000	.32 1-3 6	
" Union	1,000,000	546,072	844,324 20	620,000	.27	5
New England Nat'l	1,000,000	799,398	637,099 13	920,000	.21 3-5	5
North	1,000,000	797,953	598,712 60	972,450	.20½	5
Old Boston	900,000	367,000	1,018,975 32	535,000	.26 2-3	5
Second	1,000,000	792,708	1,535,844 48	1,140,000	.33	6
Shawmut	750,000	594,165	425,747 45	675,000	.21 4-5	5
Shoe & Leath.	1,000,000	356,311	810,323 01	400,000	.19½	6
State	2,000,000	982,770	1,115,126 43	1,125,000	.10 4-5	5
Suffolk	1,500,000	754,525	777,483 09	1,050,000	.08	4
The Boston	750,000	524,186	504,535 45	1,037,000	.28½	5
" Everett	200,000	99,930	142,019 75	118,000	.02 7-10	3½
Third	300,000	174,715	530,320 14	374,300	.21	4
Traders	600,000	173,250	703,722 58	205,000	.08½	3½
Tremont	2,000,000	715,043	1,031,718 75	1,109,000	.06 1-6	5
Washington	750,000	597,860	672,137 32	726,000	.28 2-3	6
Webster	1,500,000	495,125	839,353 05	556,000	.03 2-3	4

* The Governments include those deposited with the U. S. Treasurer as security for circulating notes and deposits, and those held by the banks themselves.

UNITED STATES MINT FOR OCTOBER.

The following is the official statement of the operations of the United States Mint at Philadelphia for the month of October :

DEPOSITS.					
	Value.			Value.	
Gold deposits,.....	\$554,609 11		Silver deposits and purch.....	\$32,871 36	
Total deposits.....				\$587,480 47	
COINAGE EXECUTED—GOLD.					
Denomination.	No. of pcs.	Value.	Denomination.	No. of pcs.	Value.
Eagles.....	38,630	\$72,600 00	Fine bars.....	20	12,050 38
Total.....				38,650	\$784,650 38
SILVER.					
Half Dollars.....	57,000	\$28,500 00	Fine bars.....	5	250 67
Total.....				57,005	\$28,750 67
COPPER AND NICKEL.					
One Cent pieces.....	796,000	\$7,900 00	Three Cent pi'ces.....	212,000	\$6,360 00
Two Cent pieces.....	267,500	5,350 00	Five Cent pieces.....	2,717,000	135,850 00
Total.....				3,086,500	\$155,460 00
RECAPITULATION.					
Gold Coinage....	38,560	\$784,650 38	Copper coinage.....	3,987,500	\$155,460 00
Silver do	57,005	27,750 67			
Total.....				4,082,155	\$968,861 05

ASSISTANT TREASURER'S STATEMENT FOR OCTOBER.

The following is an official statement of the business of the office of the Assistant Treasurer of the United States, in New York, for the month of October, 1867 :

RECEIPTS AND DISBURSEMENTS.			
Sept. 31, 1867, by balance.....			\$111,760,833 40
Receipts during the month:			
On account of customs.....		\$9,082,986 27	
do Gold notes.....		5,054,000 00	
do Internal revenue.....		413,580 37	
do Three per cent. Certificates.....		11,560,000 00	
do Post-office Department.....		555,494 16	
do Transfers.....		1,590,500 00	
do Patent fees.....		4,132 30	
do Miscellaneous.....		40,786,092 63	
do Disbursing accounts.....		14,566,840 48	
do Assay office.....		575,434 72	
do Interest accounts.....		507,916 00—	84,697,036 93
Total.....			\$196,457,590 33
Payments during the month:			
Treasury drafts.....		\$71,475,308 32	
Post-office drafts.....		808,240 87	
Disbursing accounts.....		3,795,089 56	
Assay Office.....		213,984 14	
Interest accounts, viz.:			
In coin.....		187,356 75	
In currency.....		106,851 00—	86,586,025 64
Balance.....			\$109,871,864 69
Balance to Cr. Treasurer United States.....		\$95,435,699 98	
Balance to Cr. disbursing accounts.....		10,568,393 64	
Assay Office.....		2,712,245 77	
Balance to Cr. interest accounts.....		1,350,585 30—	109,871,864 69
Receipts for customs in Oct., 1867.....			\$9,082,986 27
do do do 1866.....			11,507,697 75
Decrease do do 1867.....			\$2,424,711 75

OBLIGATIONS OF BANKING INSTITUTIONS AS BAILEES.

At a recent meeting of the Presidents of the several Banks of Baltimore for the purpose of taking into consideration the extent of the obligations incurred by banking institutions for safe keeping of trunks, boxes, and sundry other packages, containing valuables such as are commonly left with such institutions, several legal opinions were presented on the subject, and in addition thereto a letter from H. L. Hulburd, Comptroller of the Currency, in answer to the following question:

"Is the receiving of parcels containing unknown values without charge, as generally practiced by the banks, authorized or permitted by section 8, and if so, are the stockholders responsible for their safety?"

After a brief examination of the question, Mr. Hulburd concludes as follows:

"I have no hesitation in saying that, in my judgment, it is a direct transgression of the provisions of the National Currency Act for a National Bank to assume the custody and safe keeping of miscellaneous valuables. It is dangerous to the bank, and in the nature of a fraud upon the stockholders. If the valuables are lost through the carelessness or dishonesty of a bank officer or clerk, the officers are undoubtedly liable, and if the practice has been sanctioned by the Board of Directors, they will be held liable; and, as they are the agents of the stockholders in managing the affairs of the bank, I do not question but that the stockholders would in the end be required to make good the resulting loss.

I think the custom a very hazardous one, and shall do all in my power to discourage it; and, under certain circumstances, might be compelled to proceed against a bank for a violation of its charter, a course which I hope may be avoided by voluntary action on the part of the banks.

Very respectfully, yours,

H. L. HULBURD, Comptroller.

J. S. NORRIS, Esq., Cashier First National Bank, Baltimore, Md.

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurer's returns in the Treasury Department, on the 1st October and 1st November, 1867:

DEBT BEARING COIN INTEREST.

	October 1.	November 1.	Increase.	Decrease.
5 per cent. bonds.....	\$198,481,350 00	\$198,845,950 00	\$414,000 00	\$.....
6 " '67 & '68.....	14,707,941 80	14,690,941 80	.....	17,000 00
6 " 1881.....	283,676,100 00	283,676,000 00	500 00	.....
6 " (5-20's).....	1,235,380,750 00	1,267,893,100 00	32,517,350 00	.....
Navy Pen. F'd 6 p.c.....	13,000,000 00	13,000,000 00	.....	.....
Total.....	1,745,196,141 80	1,778,110,991 80	32,914,850 00	.....

DEBT BEARING CURRENCY INTEREST.

6 per ct. (RR.) bonds.....	\$16,746,000 00	\$18,042,000 00	\$1,296,000 00	\$.....
3-yars com. int. n'es.....	78,839,580 00	62,558,940 00	.....	16,280,640 00
3-yars 7-30 notes.....	365,469,100 00	334,607,700 00	.....	30,861,400 00
3 p. cent. certificates.....	.....	11,560,000 00	11,560,000 00	.....
Total.....	461,074,680 00	426,768,640 00	.....	34,306,040 00

MATURED DEBT NOT PRESENTED FOR PAYMENT.

7-30 n. due Aug. 15, '67.....	\$4,250,000 00	\$3,371,100 00	\$.....	\$878,900 00
6 p. c. comp. int. n'es.....	7,483,100 00	9,316,100 00	1,833,000 00	.....
B'ds of Texas Ind'ty.....	262,000 00	262,000 00	.....	.....
Treasury notes (old).....	164,511 64	163,661 64	.....	850 00
B'ds of Apr. 15, 1842.....	54,061 64	54,061 64	.....	.....
Treas. n's of Ma. 3, 63.....	959,380 00	865,240 00	.....	91,140 00
Temporary loan.....	5,012,203 55	4,168,375 55	.....	843,828 00
Certif. of indebtedness.....	36,000 00	34,000 00	.....	2,000 00
Total.....	18,221,256 83	18,237,538 83	16,282 00	.....

DEBT BEARING NO INTEREST.

	October 1.	November 1.	Increase.	Decrease
United States notes.....	\$261,164,844 00	\$357,164,844 00	\$.....	\$4,000,000 00
Fractional currency.....	29,864,713 37	30,706,483 39	841,720 03	.....
Gold certl. of deposit.....	14,867,820 00	14,514,400 00	.....	353,420 00
Total.....	405,897,377 37	402,385,677 39	.....	3,511,699 98

RECAPITULATION.

	\$	\$	\$	\$
Bearing coin interest.....	1,745,196,141 80	1,778,110,991 80	32,914,850 00	.....
Bearing cur'y interest.....	461,074,680 00	426,768,640 00	.....	34,306,040 00
Matured debt.....	18,221,256 83	18,237,538 83	16,282 00	.....
Bearing no interest.....	405,897,377 37	402,385,677 39	.....	3,511,699 98
Aggregate.....	2,630,389,456 00	2,625,502,848 02	.....	4,886,607 98
Coin & cur. in Treas.....	135,112,009 24	133,998,398 03	.....	1,113,611 27
Debt less coin and cur.....	2,495,277,446 76	2,491,504,450 00	.....	3,772,996 76

The following statement shows the amount of coin and currency separately at the dates in the foregoing table :

COIN AND CURRENCY IN TREASURY.

	October 1.	November 1.	Increase.	Decrease.
Coin.....	\$103,298,659 69	\$111,540,317 35	\$8,241,657 66	\$.....
Currency.....	31,813,349 55	22,458,090 67	.....	9,355,268 88
Total coin & cur're'v.....	135,112,009 24	133,998,398 03	.....	\$1,113,611 22

The annual interest payable on the debt as existing October 1, and November 1, 1867, (exclusive of interest on the compound interest notes,) compares as follows :

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	October 1.	November 1.	Increase.	Decrease.
Coin—5 per cents.....	\$9,921,567 50	\$9,942,267 50	\$20,700 90	\$.....
6 " 67-68.....	882,476 51	881,456 51	.....	1,020 00
6 " 1881.....	17,020,566 00	17,020,596 00	30 00	.....
6 " 5-30s.....	74,122,845 00	76,073,886 00	1,951,041 00	.....
6 " N. P. F.....	780,000 00	780,000 00	.....	.....
Total coin interest.....	\$102,727,455 01	\$104,698,206 01	\$1,970,751 00	\$.....
Currency—6 per cents.....	1,004,760 00	1,082,520 00	77,760 00	.....
7-30 ".....	26,680,704 30	24,426,362 10	.....	2,254,342 20
Total cur'ncy interest.....	\$27,685,464 30	\$25,508,882 10	\$.....	\$2,176,582 20
Aggregate coin & currency, excl. comp. interest notes.....	\$130,412,919 31	\$130,207,088 11	\$.....	\$205,831 20

COMMERCIAL CHRONICLE AND REVIEW.

Course of the Money Market.—Rates of Loans and Discounts.—Volumes of Shares at the Stock Boards.—Bonds sold at the New York Stock Exchange Board.—Course of Consols and American Securities at London.—Prices of Government Securities at New York.—Compound Interest Notes.—Receipts and Shipments of Coin and Bullion at New York.—Course of Gold at New York.—Course of Foreign Exchange at New York.

We seldom hear now, as we did some time ago, the predictions that the present year, like 1857, 1837, and other years ending in the unlucky numeral 7, would be a year of panic and financial disaster in this country. These shocks are becoming better understood, and their causes being brought within the reach of analysis, prevention becomes more possible. Hence the mercantile world no

longer looks upon such terrible events as mysterious visitations with which human foresight cannot cope or human precaution and sagacity combat. Notwithstanding this progress, however, or rather because of it, the course of the money market is closely watched, and the effect of any new forces operating on it is eagerly measured. At this season of the year there is always a special anxiety to know how the loan market will work, for every department of industrial enterprise suffers when money is tight; and from a want of elasticity our financial machinery, under its present management, is very apt to cause some disturbance from the turn in our domestic exchanges which always occurs in the Fall. In divers ways every merchant and manufacturer, every farmer and mechanic, no less than every banker and capitalists in the country, is directly interested in the question. To the nation at large easy money means material prosperity, and to our enterprising citizens everywhere it means remunerative employment for labor, and steady rewards for well directed enterprise; while stringency in money, on the contrary, means stagnation, distrust and depression, paralysis of commerce and ruin to the producer. It is not without reason that M. Turgot compares the disasters induced by monetary stringency and revulsion to those of an inundation overspreading a fertile Swiss valley. As the flood rises it drowns out one after another of the low-lying rich tracts with their teeming harvests, and as it recedes it gives up these farms impoverished but restored once again to the industry of the laborer. The invasion of monetary stringency sweeps away the accumulated wealth of the past, and as we have a memorable example in England from the revulsion of 1866, it may require a long, painful effort to recuperate. The only point we wish to insist on, however, is this: that what a monetary panic does on the grand scale, a light monetary stringency does on a small scale, for each partakes of the same nature, and the difference between the two is chiefly in their extent and their force.

In view of this fact the question how the money market will work ought to be regarded with anxiety not only by the people but by the Treasury. The belief is gaining ground in this country that the vast power which the Secretary of the Treasury holds, and which gives him at critical moments a control over the financial machinery of the country, is sometimes used with the intention of tightening the money market. It is affirmed that that power has been very recently so used, and a fear of the repetition of the experiment is doing something at this very time to depress and partially to paralyze the industry of the country. Waiving this aspect of the case, however, let us look in other directions, and inquire as to the probable indications of the monetary movements of the immediate future. And it cannot be denied that there are forces at work which ought to produce ease. First, we have an abundance of idle capital disengaged—capital of our own, capital belonging to foreigners. As to the American capital, it was ample enough without foreign aid to absorb and manipulate all our Government and other securities three years ago, besides carrying on the business of the country. During those three years our capital has been rapidly growing and accumulating, while the securities have diminished rather than augmented. The Government bonds, the railroad shares, the bonds and negotiable instruments dealt in at the Stock Exchange, have received no great accessions to their aggre-

gate amount during this interval. On the contrary, securities have been brought and exported by foreigners to the extent probably of 200 millions. We have fewer of them now than we had three years ago, and the inference is that if our floating and semi fixed capital was adequate three years ago to manipulate the securities then afloat, much more is it ample and abundant now when it has augmented, and the securities have suffered a large decrease. Then, again, these supplies of our own loanable funds are swelled by large contributions from foreigners. Money in Lombard street begs in vain for borrowers to take it at 1 or 2 per cent., while in Wall street it gets ready employment at 6 or 7 per cent. The admonitory war cloud warns it off from Europe, and stimulates its flight across the Atlantic to our safer Continent. If this foreign capital were not here, or if it should not increase, as it probably will, we have adequate supplies of our own. Having the foreign surplus balances at command, however, we shall use them, and one of the effects will of necessity be, that other things remaining equal, the money market will work the easier, and give the more stimulus to the great financial work of the country, which work will be for several years to come the reorganizing of our dislocated industry, North and South, and the adjustment or removal of every tax which paralyzes and disorganizes that industry, leaving other problems and difficulties which are too far to reach, and too difficult to deal with at present. So far, then, as ample supplies of capital are a condition of an easy money market, there seems to be no cloud of doubt hanging over the immediate future. How far the Treasury may disturb the movements of capital, by locking up currency in the Treasury or by contracting the volume of greenbacks, we cannot tell, but with the experience of the past to guide him, Mr. McCulloch will, no doubt, adopt in this respect a very cautious and conservative course.

Last month we had to chronicle an extreme stringency in the money market, connected with the unusually large demand for money for moving the grain crops. During October there has been an abatement of the pressure, and the month closes with an abundance of money on call at 5@6 per cent. The crisis, however, has left behind certain unfavorable results. The almost total suspension of discounting operations produced embarrassments among the merchants, which in turn increased the caution of discounters, and, for a time, rendered it almost impossible to negotiate even the best class of mercantile paper, no such stringency having been experienced since 1857. As a natural result, there have been several failures among merchants here and in other cities, and chiefly houses of respectable standing. Toward the close of the month the banks were disposed to make their enlarged balances more available for discounting their customers' notes, but among outside buyers there was unusual caution, and none but the best known names could be negotiated at the legal rate of interest.

In general trade there has been a somewhat severe depression, resulting in a decline in the prices of many kinds of manufactured goods. The stringency in money has had a certain influence in checking business, but the more prominent causes of the stagnation appear to have been the continued high price of breadstuffs, the prevalence of sickness in the South, causing a decided check upon trade with that section; an over-supply of goods, attended with a lack of confi-

dence among buyers; and a reaction arising from the disappointment of over sanguine expectations. The produce markets, however, have shown a prosperous activity. Notwithstanding the high prices of breadstuffs, all the avenues of transportation to the seaboard have been crowded with grain, and liberal shipments have been made to Great Britain. Although the high prices of flour have a tendency to limit the consumption of other products, yet it is reasonable to expect that the handsome profits realized by the farmers upon their large crops will induce an active business with the agricultural population later in the season. The month opened with weakness in the cotton market, attended with the failure of cotton firms at Liverpool and New York; but, subsequently, an improvement in the trade of Manchester, and the low stock of the American staple at Liverpool caused an advance, which has had the effect of infusing a healthier feeling into this important branch of trade. As yet there has been no important demand for money for moving the cotton crop; and some doubt is entertained whether, in the present condition of the money market, it will be found easy to secure the usual facilities for the purchase of this staple. In fact the general opinion appears to be that if Europe wants our cotton this year she must send the money and ships to move it.

The following are the rates of loans and discounts for the month of October :

RATES OF LOANS AND DISCOUNTS.

	Oct. 4.	Oct. 11.	Oct. 18.	Oct. 25.
Call loans.	7 @—	7 @—	7 @—	7 @—
Loans on Bonds and Mortgage.....	6 @ 7	6 @ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos.....	7 @ 7½	7 @ 7½	8 @ 9	8 @ 9
Good endorsed bills, 3 & 4 mos.	8½@10	8½@10	9 @12	9 @12
“ “ single names.....	10 @—	10 @—	11 @12	11 @12
Lower grades.....	12 @20	12 @20	15 @25	15 @25

The course of business at the Stock Exchange has been unsettled and irregular. Last month large amounts of stock were bought up by combinations, upon the supposition that the increased earnings of the roads would cause a demand for stocks from the public. The stringency in money and the general depression in business, however, has caused the public to be sellers rather than buyers. Under this disappointment, the cliques have had to resort to factitious expedients for forcing up the market; but they appear to have found little co-operation from any class of operators. With the exception of a few clique specialties, prices are now lower than at the beginning of the month.

The following table shows the volume of shares sold at the New York Stock Exchange Board and the Open Board of Brokers in the three first quarters and in the month of October, and the total since January 1 :

VOLUME OF SHARES SOLD AT THE STOCK BOARDS.

Classes.	1st Quarter.	2d Q'rter.	3d Q'rter.	October.	Since Jan. 1.
Bank shares.....	7,815	11,153	9,070	1,836	29,924
Railroad “.....	5,079,773	4,910,358	4,265,793	1,536,572	15,792,501
Coal “.....	67,800	25,405	40,563	4,083	137,853
Mining “.....	123,857	91,183	92,594	19,800	327,439
Improv't “.....	81,369	103,435	68,649	13,200	266,552
Telegraph “.....	117,973	153,118	294,493	129,734	635,318
Steamship “.....	228,683	215,873	132,450	47,337	624,343
Expr'ss &c “.....	17,074	104,480	117,279	47,783	287,216
At N. Y. Stock Ex. B'd.....	2,072,496	2,074,351	2,013,966	769,963	6,930,686
At Open Board.....	3,652,443	3,540,659	2,996,930	1,090,429	11,220,451
Total 1867.....	5,724,849	5,615,010	5,010,896	1,800,392	18,151,147
Total 1866.....	6,172,087	5,842,110	4,333,801	2,911,225	19,259,223

Government securities have sympathized with the condition of the money market and the unsettled state of confidence in Europe. The discovery of an important counterfeit on the Seven-thirty notes also had the effect of temporarily depressing the market. At the close of the month the markets of London and Frankfort show higher quotations for Five-twenties than at the commencement, and in the market here there is a steady tendency toward a recovery in prices.

The amount of Government bonds and notes, State and city bonds, and company bonds, sold at the New York Stock Exchange Board in the three first quarters and in October, and the total since January 1, is shown in the statement which follows:

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1st quarter.	2d quarter.	3d Quarter.	October.	S'ce Jan. 1.
U. S. bonds.....	\$18,702,650	\$40,388,350	\$43,284,050	\$17,649,500	\$120,634,550
U. S. notes.....	4,792,480	3,347,600	10,321,550	3,041,900	21,503,530
St'e & city b'ds.....	8,884,100	7,601,650	7,954,300	3,881,500	28,321,550
Company b'ds.....	2,216,200	2,367,700	2,184,000	892,200	7,660,100
Total 1867.....	\$34,595,430	\$53,705,300	\$63,743,900	\$25,465,100	\$177,509,730
Total 1866.....	32,600,500	36,414,350	44,050,100	17,012,550	130,077,500

The closing prices of Consols and certain American securities (viz. U. S. 6's, 5-20's 1862, Illinois Central and Erie Railway shares, and Atlantic and Great Western consolidated bonds) at London, on each day of the month of October, are shown in the following statement:

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON—OCTOBER, 1867.

Date.					Cons for mon.	American securities. U. S. Ill. C. 5-20s sh's.					Erie A. & G. W.		
Date.					Cons for mon.	American securities. U. S. Ill. C. 5-20s sh's.					Erie A. & G. W.		
Tues.....	1	94½	72½	77	42	23½	Monday.....	21	93½	69	78	45	....
Wedne.....	2	94½	71½	76½	41½	23½	Tues.....	22	93½	69½	78½	45½	....
Thurs.....	3	94½	71½	76½	41½	23½	Wedne.....	23	94	69½	78½	46½	....
Friday.....	4	94½	71½	76½	40½	23½	Thurs.....	24	94	69½	78½	45½	....
Sat'day.....	5	94½	71½	77½	40½	22½	Friday.....	25	94½	69½	79½	45½	....
Sunday.....	6						Sat'day.....	26	94½	69½	79	45½	25½
Monday.....	7	94½	71½	77½	41½	22½	Sunday.....	27					
Tues.....	8	94½	71½	77½	43½	22½	Monday.....	28	94½	69½	78½	46½	....
Wedne.....	9	94½	71½	77½	42½	22	Tuesd'y.....	29	94½	69½	79½	46½	....
Thurs.....	10	94½	72	77½	44	21½	Wedn'y.....	30	94½	69½	79½	47	....
Friday.....	11	94½	71½	78	43½	21½	Thurs.....	31	94½	70½	80½	47½	....
Sat'day.....	12	94½	71½	77½	44	21½	Highest.....		94½	72½	80½	47½	25½
Sunday.....	13						Lowest.....		93½	68½	76½	40½	21½
Monday.....	14	94½	71½	77½	46½	21½	Range.....		1½	4½	4	6½	4
Tues.....	15	93½	71½	77½	46½	21½	Low } Since Jan. 1		90	67½	72½	35½	21
Wedne.....	16	93½	68½	77½	45½	21½	Hig }		96	75½	82½	47½	26
Thurs.....	17	93½	68½	77½	44½	21½	Rug }		6	7½	10	11½	5
Friday.....	18	93½	68½	77½	45½								
Sat'day.....	19	93½	68½	77½	45½								
Sunday.....	20												

The lowest and highest quotations for U. S. 6's (5-20 years) of 1862 at Frankfort in the weeks ending Thursday, have been as follows:

	Oct. 3.	Oct. 10.	Oct. 17.	Oct. 31.
Frankfort.....	74½@75½	74½@74½	73½@74½	73½@75½

The daily closing prices of the principal government securities at the New York Stock Exchange Board, as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK, SEPTEMBER, 1867.

Day of month.	6's, 1881.		6's, (5-30 yrs.) Coupon				5's, 10-40 2d sr.	
	Coup.	Reg.	1862.	1864.	1865.	new.	1867 yrs. C'pn.	1860.
Tuesday 1.	110%	110%	113%	109	109%	107%	99%	106%
Wednesday 2.	110%	110%	113	108%	109%	107%	99%	106%
Thursday 3.	110%	110%	112%	108%	108%	107%	99%	106%
Friday 4.	110%	110%	113	108%	108%	107	99%	105%
Saturday 5.	110%	110%	113	108%	108%	107	100%	106
Sunday 6.								
Monday 7.	111%	111%	112%	109%	109%	107%	100%	106%
Tuesday 8.	111%	111%	112%	109%	109%	107%	101%	106%
Wednesday 9.	111%	111%	112%	109%	109%	107%	101%	106%
Thursday 10.	111%	111%	113	108%	109	107	100%	105
Friday 11.	111%	111%	112%	109%	109%	107%	100%	105%
Saturday 12.	111%	111%	112%	109	109%	107%	100%	105%
Sunday 13.								
Monday 14.	111%	111%	112%	109%	109%	107	100%	105%
Tuesday 15.	111%	111%	111%	108%	108%	106%	100%	104%
Wednesday 16.	111%	111%	112	108%	108%	106%	100%	105
Thursday 17.	111%	111%	111%	108%	108%	106%	100%	104%
Friday 18.	111%	111%	111%	108%	108%	106%	100%	104%
Saturday 19.	111%	111%	112	108%	109	106%	100%	104
Sunday 20.								
Monday 21.	111%	111%	111%	108%	109	106%	100%	104
Tuesday 22.	111%	111%	112%	109%	109%	106%	100%	104%
Wednesday 23.	111%	111%	112%	109%	109%	106%	100%	104%
Thursday 24.	111%	111%	112%	109%	109%	106%	100%	104
Friday 25.	112%	111%	112%	109%	109%	107	100%	105
Saturday 26.	112%	111%	113	109%	109%	107%	100%	105%
Sunday 27.								
Monday 28.	111%	112%	112%	109%	109%	107	100%	105
Tuesday 29.	111%	111%	112%	109%	109%	107	100%	105
Wednesday 30.			112%	109%	110	107%	100%	105%
Thursday 31.	112		112%	109%	110%	107%	100%	105%
First.	110%	110%	113%	109	109%	107%	99%	106%
Lowest.	110%	110%	111%	108%	107%	106%	99%	104
Highest.	112%	112%	113%	109%	110%	107%	101%	106%
Range.	2	1%	1%	1%	1%	1%	1%	2%
Last.	112	112%	112%	109%	110%	107%	100%	105%

The quotations for Three-years' Compound Interest Notes on each Thursday of the month have been as shown in the following statement :

PRICES OF COMPOUND INTEREST NOTES AT NEW YORK, SEPTEMBER, 1867.

Issue of	October 3.	Oct. 10.	Oct. 17.	Oct. 24.	Oct. 31.
October, 1864.	119% @ 119%	119% @ 119%	119% @ 119%	119% @ 119%	119% @ 119%
December, '64.	118% @ 118%	118% @ 118%	118% @ 119	118% @ 119	118% @ 119
May, 1865.	117% @ 117%	117% @ 117%	117% @ 117%	117% @ 117%	117% @ 117%
August, 1865.	116% @ 116%	116% @ 116%	116% @ 116%	116% @ 116%	116% @ 116%
September, '65.	115% @ 115%	115% @ 116	115% @ 116	115% @ 116	115% @ 115%
October, 1865.	115% @ 115%	115% @ 116%	115% @ 115%	115% @ 115%	115% @ 115%

The first series of figures represents the buying and the last the selling prices at first class brokers' offices.

The following are the closing quotations at the regular board on each Friday of the last six weeks.

	Sept. 27.	Oct. 4.	Oct. 11.	Oct. 18.	Oct. 25.	Nov. 1
Cumberland Coal.	29	27	30	21	16%	24%
Quicksilver	25%	25	25	21	16%	18%
Canton Co.	43%	43%	43%	43%	43%	43%
Mariposa pref.	18	17	17	17	14	14
New York Central.	107%	110%	114%	112	112	112%
Erie	61%	70	74%	71%	72%	72
Hudson River	127%	128%	128%	128%	128%	125%
Reading	101%	101%	101%	100%	96%	97
Michigan Southern	81%	81%	83%	80%	77%	78%
Michigan Central.	109		109%			
Cleveland and Pittsburg	79	79%	83%	84	81%	81%
Cleveland and Toledo	123%	128	131% x. d.	106	102	104%
Northwestern	41	43%	43%	46%	47%	47%
preferred.	65%	67%	67%	67		65%
Rock Island	102%	102%	x. d 97	97%	95	96
Fort Wayne	102%	100%	100%	99%	95	96%
Illinois Central		121%	122%	121%		126%

The receipts and shipments of coin and bullion at New York in the three first quarters, and in the month of October, with the total since January 1, have been as shown in the following statement :

RECEIPTS AND SHIPMENTS OF COIN AND BULLION AT NEW YORK.

	First quarter.	Second quarter.	Third quarter.	Month of October.	Since Jan. 1.
Rec'ts f'm California.....	\$6,109,861	\$6,899,555	\$9,240,679	\$2,339,284	\$24,589,379
Imp'ts f'm for'gn ports..	409,077	1,147,619	942,519	219,666	2,718,881
Total receipts	\$6,518,938	\$8,047,174	\$10,183,198	\$2,558,950	\$27,308,260
Exp'ts to foreign ports...	6,566,958	18,028,709	17,436,446	1,205,529	43,237,642
Excess of exports.....	\$48,020	\$9,981,535	\$7,253,248	\$.....	\$15,929,382
Excess of receipts.....				1,353,421	

The following statement shows the receipts and exports in October and since January 1, for seven years :

	California Receipts—		Foreign Imports—		Foreign Exports—	
	Oct.	Since Jan. 1.	Oct.	Since Jan. 1.	Oct.	Since Jan. 1.
1867	\$2,339,284	\$24,589,379	\$219,666	\$2,718,881	\$1,315,529	\$43,237,642
1868	4,902,217	35,439,314	1,434,158	8,092,728	1,463,450	55,469,740
1869	2,481,088	16,232,833	77,943	1,683,401	2,516,226	25,186,342
1870	855,378	9,719,908	129,775	1,988,919	2,517,121	37,452,983
1871	1,032,899	10,637,211	78,053	1,306,174	6,210,156	39,056,652
1872	2,387,298	21,042,949	256,676	1,201,253	6,707,519	49,541,658
1873	2,980,815	31,217,218	639,318	35,826,058	15,088	2,294,852

The following formula furnishes the details of the general movement of coin and bullion at the port for the past three-quarters and the month of October :

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1st quarter.	2d quarter.	3d quarter.	Oct.	Since Jan. 1.
In banks at commen't.....	\$13,185,222	\$3,522,609	\$7,768,996	\$9,496,163	\$13,185,222
Rec's from California.....	6,109,861	6,899,555	9,240,679	2,339,284	24,589,284
Imp's f'm for'n ports.....	409,077	1,147,619	942,519	219,666	2,718,881
Coin int'st p'd by U.S.....	10,838,303	17,793,025	19,644,397	189,357	43,463,082
Total repo'd sup'y.....	\$30,542,463	\$24,362,808	\$27,596,591	\$12,242,470	\$88,956,564
Exp. to for'n ports.....	\$6,566,958	\$18,028,709	\$17,436,446	\$1,205,529	\$43,237,642
Customs duties.....	33,170,628	27,185,886	24,665,965	9,082,986	104,105,468
Total withdrawn.....	\$39,737,586	\$45,214,595	\$52,102,414	\$10,288,515	\$147,343,110
Excess of rep'd sup'y.....	\$.....	\$.....	\$.....	\$1,953,955	\$.....
Excess of withdraw's.....	9,195,123	10,851,787	14,595,823	.....	58,389,546
In banks at close.....	8,522,609	7,768,996	9,496,163	6,161,164	6,161,164
Deficit in reported supply, made up from unreported sources.....	\$17,717,732	\$18,620,783	\$24,001,686	\$4,207,309	\$64,547,710

The unsettled and, at one time, threatening condition of affairs in Italy has produced among the foreign bankers a disposition to hold gold ; which has been confirmed by the high rates obtainable upon loans of coin, the scarcity of gold for delivery having enabled holders to employ their stock at from 1-32 to $\frac{1}{4}$ per cent. per day. There has been, however, a strong counteraction in the anticipation of the payment of \$25,000,000 of United States coupons on the 1st of November. The less threatening aspect of the Italian outbreak within the last few days facilitated the downward movement of the premium, and at the close the quotation is 140 $\frac{1}{4}$, against 145 $\frac{1}{2}$ at the commencement. The Treasury has sold but little coin during the month. The exports have been light, falling short \$1,353,421 of the receipts.

The statement which follows shows the daily fluctuations in the price of American gold coin at the Exchange Gold Room during the month of October :

COURSE OF GOLD AT NEW YORK—OCTOBER, 1867.

Date.	Open'g	Lowest	High'st	Closing	Date.	Open'g	Lowest	High'st	Closing
Tuesday.....	1 143%	143%	143%	143%	Monday.....	21 144	143%	144	144
Wednesday....	2 143%	143%	144%	144	Tuesday.....	22 143%	143%	143%	143%
Thursday.....	3 144%	144%	145%	144%	Wednesday....	23 143%	143%	143%	143%
Friday.....	4 145	144%	145%	145%	Thursday.....	24 143%	142%	143%	142%
Saturday.....	5 144%	144%	144%	144%	Friday.....	25 142%	141%	142%	141%
Sunday.....	6				Saturday.....	26 141%	141%	142	141%
Monday.....	7 145	144%	145%	145%	Sunday.....	27			
Tuesday.....	8 145	144%	145%	145	Monday.....	28 142%	142	142%	142%
Wednesday....	9 144%	143	144%	143%	Tuesday.....	29 142	141%	142%	142
Thursday.....	10 143%	143%	144	143%	Wednesday....	30 141%	140%	141%	140%
Friday.....	11 143%	143%	143%	143%	Thursday.....	31 140%	140%	140%	140%
Saturday.....	12 144%	144%	144%	144%					
Sunday.....	13				Oct. ... 1867.....	143%	140%	145%	140%
Monday.....	14 144%	143%	144%	144%	" 1866.....	146	145%	154%	146%
Tuesday.....	15 144%	143%	144%	143%	" 1865.....	144%	144%	149	146%
Wednesday....	16 144%	143	143%	143%	" 1864.....	192	189	227%	223%
Thursday.....	17 143	143	144%	144%	" 1863.....	140%	140%	156%	145%
Friday.....	18 144%	144%	144%	144%	" 1862.....	121%	122	133%	129%
Saturday.....	19 143%	143%	144%	144%					
Sunday.....	20				S'ce Jan. 1, 1867.....	132%	132%	146%	140%

Foreign exchange has ruled dull throughout the month. The importers have remitted comparatively little, and with a fair supply of produce bills rates have been weak. Toward the close the demand for bills for remittances against receipts of coupons from foreign bondholders caused a firmer market. Cotton bills have been at a heavy discount owing to the want of confidence in Liverpool cotton houses.

The following table shows the course of Foreign Exchange, daily, for the month of October :

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK—OCTOBER.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1.....	109% @ 109%	517% @ 515	41 @ 41%	78% @ 79	36 @ 36%	71% @ 72
2.....	109% @ 109%	517% @ 515	41 @ 41%	78% @ 79	36 @ 36%	71% @ 72
3.....	109 @ 109%	517% @ 515	40% @ 41	78% @ 79	35% @ 36	71% @ 71%
4.....	109 @ 109%	517% @ 515	40% @ 41	78% @ 78%	35% @ 36	71% @ 71%
5.....	109 @ 110%	517% @ 515	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
6.....						
7.....	109% @ 109%	517% @ 516%	40% @ 41	78% @ 78%	35% @ 36%	71% @ 71%
8.....	109% @ 109%	517% @ 516%	40% @ 41	78% @ 78%	35% @ 36%	71% @ 71%
9.....	109% @ 109%	517% @ 516%	40% @ 41	78% @ 78%	36 @ 36%	71% @ 71%
10.....	109% @ 10%	517% @ 516%	40% @ 41	78% @ 78%	36 @ 36%	71% @ 72
11.....	109% @ 109%	518% @ 517%	40% @ 41	78% @ 78%	35% @ 36%	71% @ 71%
12.....	109% @ 109%	516% @ 515	40% @ 41	78% @ 78%	35% @ 36%	71% @ 71%
13.....						
14.....	109% @ 109%	518% @ 517%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
15.....	109% @ 109%	518% @ 517%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
16.....	109% @ 109%	518% @ 517%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
17.....	108% @ 109	521% @ 518%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
18.....	108% @ 109%	520 @ 518%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
19.....	108% @ 109%	520 @ 518%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
20.....						
21.....	108% @ 109%	520 @ 518%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
22.....	108% @ 109	520 @ 518%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
23.....	108% @ 109	520 @ 518%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
24.....	108% @ 108%	520 @ 518%	40% @ 41	78% @ 78%	35% @ 35%	71% @ 71%
25.....	108% @ 108%	520 @ 518%	40% @ 41	78% @ 78%	35% @ 35%	71% @ 71%
26.....	108% @ 108%	520 @ 518%	40% @ 41	78% @ 78%	35% @ 35%	71% @ 71%
27.....						
28.....	109 @ 109%	518% @ 517%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
29.....	109% @ 109%	518% @ 517%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
30.....	109% @ 109%	518% @ 517%	40% @ 41	78% @ 78%	35% @ 36	71% @ 72
31.....	109% @ 109%	516% @ 515	40% @ 41	78% @ 78%	35% @ 36	71% @ 72

	London.	Paris.	Amsterdam.	Bremen.	Hamburg.	Berlin.
Oct.....	108½ @ 109½	521½ @ 515	40½ @ 41½	78½ @ 79	35½ @ 36½	71½ @ 72
Sep.....	109 @ 110	521½ @ 515	40½ @ 41½	78½ @ 78½	35½ @ 36½	71½ @ 72½
Aug.....	109½ @ 110½	518½ @ 512½	40½ @ 41½	78 @ 79½	35½ @ 36½	71½ @ 72½
July.....	109½ @ 110½	517½ @ 511½	40½ @ 41½	78 @ 79½	36 @ 36½	71½ @ 72½
Jun.....	109½ @ 110½	518½ @ 511½	40½ @ 41½	78½ @ 79½	36 @ 36½	72 @ 72½
May.....	109½ @ 110½	520 @ 510	40½ @ 41½	78½ @ 80	36 @ 36½	71½ @ 72½
Apr.....	108½ @ 10½	522½ @ 512½	40½ @ 41½	78½ @ 79½	35½ @ 36½	71½ @ 72½
Mar.....	108 @ 109½	525 @ 515	40½ @ 41½	78 @ 79½	35½ @ 36½	71½ @ 72½
Feb.....	108½ @ 109	522½ @ 515	40½ @ 41½	78½ @ 79½	36 @ 36½	71½ @ 72½
Jan.....	108½ @ 109½	520 @ 513½	41½ @ 41½	78½ @ 79½	36½ @ 36½	72 @ 72½
Since Jan. 1....	108 @ 110½	525 @ 510	40½ @ 41½	78 @ 80	35½ @ 36½	71½ @ 72½

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Letter of Mr. Jay Cooke to National Bank Officers.—Returns of the New York, Philadelphia and Boston Banks.

The elaborate letter addressed by Mr. Jay Cooke to certain National Bank officers in Ohio has been widely published by the newspapers, and has brought into a clearer light the fact that throughout the country a very uneasy feeling prevails as to what Congress will do next in regard to the monetary situation generally, and to that of the National Banks in particular. The momentous importance of the crisis through which the finances of the nation are passing weighs heavily on the public mind, and never probably have monetary problems of such magnitude and difficulty offered themselves to any deliberative assembly in the world, as those to be forced on the attention of the Congress which will meet at Washington on the 21st of November.

We do not profess to be cognizant of the purposes of the leaders of parties, but there are a few points as to practical legislation which may, we think, be pretty confidently relied on. And of these one is, that Congress in its financial arrangements will act in a very conservative spirit, and will do nothing to destroy or impair the National Banking system. From the general tone of Mr. Cooke's letter, it would seem that he is apprehensive of some such mischance. There are, no doubt, a few persons to be found who would use their influence with Congress to this end. Possibly the rigid demands of the National Bank law as now administered, the care it takes to discover and cut off every unsound part of the system, and to enforce the solvency, strength and good repute of the individual banks, may have made some dissatisfied persons long for the license and ill-regulated freedom of the old exploded State-banking system. We grant also that other enemies of the National Banks may oppose the new and more efficient system from purer motives, but the prevailing impression among the people everywhere is that the banks are entitled to have a fair trial, and that sufficient time has not elapsed, nor sufficient hostile evidence accumulated to enable an impartial jury to give a verdict against them.

We observe, however, that Mr. Cooke falls into the error which prevails in some quarters, of supposing that the banks are the recipients of a charter from the nation, which in some way secures the privileges they enjoy, and prohibits curtailment for an indefinite time in the future. To set this question at rest, it is only necessary to refer to the closing section of the National Currency Act,

which specially provides that any provision in that law may be changed or cancelled at the pleasure of Congress. But this National Currency law is the charter of the banks, and so far as that instrument is concerned, it is clear that the claim set up in behalf of these institutions by some of their friends falls to the ground.

It is well known to our readers that we have steadily advocated the solid interests of the National Banks. In common with a large part of the nation we did not approve of the system before it was adopted, but our argument is, that now the banks are established, we are bound to guard and to improve them as a vital part of the financial machinery of the country. They are indispensable aids to business, and having turned out to be a much more stable and efficient organization than many even of their friends ventured to anticipate, we shall give them a hearty, zealous support as long as they seem to us to deserve it. In giving this support we will not knowingly adopt invalid arguments; and this we think is the character of such as are founded on the claim that Congress has conferred a franchise in this case, which it cannot revoke at any moment when the recall is clearly for the good of the country. But we go one step beyond this, and we unhesitatingly claim for the National Banks that, in the existing state of our finances, our commerce and our trade, the highest interests of the country require that these institutions shall be sustained, and their efficiency as far as possible augmented. We support the cause of the banks, then, not because as private institutions they have received a valuable franchise which confers vested rights that cannot be meddled with, but because they have important public functions entrusted to them by the nation, and because, on the whole, they execute their functions so as to justify confidence and to merit protection. In this opinion we are at one, we believe, with Congress. During the last session an attempt was made to revoke the privileges in question, and several bills introduced for that purpose failed and were rejected. It will be remembered that the complaints then brought against the banks were various, and were founded partly on the fact that these institutions have the privilege of issuing notes for which the credit of the Treasury is pledged, and which the Government therefore might just as well derive the pecuniary benefit of, so as to relieve the country from the pressure of taxation. To this the obvious reply was that this is not a new complaint. It had been discussed and overruled before the system was established. In his letter, Mr. Cooke argues very justly that the benefits which the National system has conferred on the country are well worth all they have cost by the grants made and the privilege conceded. Among these benefits he reckons the unification of the bank currency in every State of the Union, and the destruction of the issuing powers of a multitude of irresponsible ill-regulated banks all over the country whose unsafe currency, had it not been destroyed, would have brought on us during the past three years panics and financial disaster, exemption from which is chiefly purchased by the franchises conferred. He also claims that this exemption, without the establishment of new banks, would have been impossible.

Another argument against the banks is, that if allowed to issue currency at all, they should not be permitted to draw from the National Treasury eighteen millions of coin a year as interest on three hundred millions of bonds deposited

as security for circulation. To this Mr. Cooke replies by attempting to show that these eighteen millions and more are paid back again to the Government in various ways, and chiefly by taxation of several kinds. This is decidedly the weakest part of Mr. Cooke's ingenious paper, and his statements will be sharply criticized. If, as we suppose, it is intended that the letter should be republished in pamphlet form for the information of members of Congress and of the people generally, we would urge that this part of it undergo careful revision. The argument as to the superiority of bank notes for greenbacks should also be pruned away as irrelevant and unsound. A bank note can never be worth more than what it is redeemed in, and the bonds deposited at Washington are placed there not as security to the public, who take the notes, but to the Government, which endorses them.

It is supposed by many persons that the special claims of the National banks to superiority over the State organizations which it superseded, rest almost exclusively on the security of the bank notes, which is the most perfect ever devised, consisting as it does of a deposit of Federal bonds, a guarantee from the Government founded on that deposit, and a reserve of legal tender money to the amount of fifteen or twenty-five per cent. on the liabilities of every bank in the country. We should do injustice to the National system, and overlook some of its chief merits, if we were to ignore the fact that the safety of the circulating notes is only one of its advantages, and by no means the most perfect, although it may be the most prominent. The bank note, it is true, is secure of ultimate payment, because the Government endorses it, and if the bank fails the Treasury is liable for the amount, and is empowered to sell the pledged bonds to obtain funds to meet the endorsement and make the dishonored payment. But security for ultimate payment is not the only safeguard needed by notes which are to pass as current money. There must also be redemption in specie or other lawful money. And this redemption must be provided in the metropolitan centres as well as at the counter of the issuing bank. How defective our system is in this respect none have shown more clearly than Mr. Hulbard, the Comptroller of the Currency, who will no doubt propose again some adequate remedy in his forthcoming report for Congress, as he did in his very able report of last year.

The National banking system has, however, as we said, other distinctive features to commend it, unconnected with the security of its notes. And one of these is the light of publicity which it sheds on the business which the banks are doing. It may be taken as a fundamental maxim of banking that bad business requires covering up, and can only thrive by secrecy. Now, the banks of this country are so closely united and bound together, that each is as it were a guardian of the solvency of others, and all the sisterhood partake of the general security to which each contributes. Every member of the organized whole is interested in keeping every other member strong, and in cutting off and removing the unsound and rotten parts of the system. Moreover, the frequent visits of competent inspectors, and the monthly and quarterly reports which are sent to Washington and published in the newspapers; the discipline which the department is empowered to inflict on institutions which are guilty of shortcomings and financial misdemeanors, and the severe penalties which are denounced against

officers who are convicted of corruption, speculation or fraud; these and other provisions with which our readers are familiar, are exercising a powerful influence to strengthen the banking system, and to keep it strong.

A careful scrutiny of the quarterly returns, which we publish in another part of this number of the magazine, will show to what a gratifying extent these appliances have succeeded in furthering the ends for which they were devised. There is, no doubt, much remaining to be done. Some of the old State banks which were in an unsound condition for years before they were changed into National Banks, have not yet succeeded in shaking off their incubus which has long weighed them down. They are still suffering the effects of old sins, and are laboring to conquer them with less success than might be desired. Of the 1,200 State institutions which have been converted, some are in this struggling condition; and of the 400 new banks, a few may have been drifted by ignorant or by speculative officers into troubled waters. We do not deny or conceal these facts. But what we claim is that the number of these defaulters is relatively small—that that number is diminishing—that it is smaller now than six months ago—and that, with very inconsiderable exceptions, our 1,600 National Banks are at this hour in a sounder, safer position than ever they have been since this great experiment of National banking was fairly established in the United States.

Perhaps the most satisfactory showing in the reports before us is in the reserves which are kept up with sedulous care, and which no bank which values its credit will allow to run down, except as a temporary accident. In reserves of the banks we observe that the Compound Notes amount only to fifty-six millions, while the greenbacks are one hundred millions. Further changes will be made in the reserves during the current quarter by the fifty millions of Three per Cent. Certificates, which appear for the first time in the November debt statement, the amount of \$11,560,000 having been issued last month. These securities are designed to counteract any tendency to spasmodic contraction of bank credits and of general business which might arise from the withdrawal of the Compound Notes, of which fourteen and a half millions were cancelled in October. These certificates, like the compounds, can be held as lawful reserve, and were authorised for that purpose by the act of 2d March, 1867. As it may be useful to our banking readers to have on record for easy reference the rules which regulate the availability of these certificates in print, the following official letter covers nearly all the subjects on which information is likely to be required:

TREASURY DEPARTMENT, OFFICE OF COMPTROLLER }
OF THE CURRENCY, WASHINGTON, Oct. 18, 1867. }

DEAR SIR—Your letter of the 17th inst. is received, inquiring what portion of the three per cent. certificates is available as a reserve for the National Banks. The act of March 2, 1867, authorizing the issue of three per cent. certificates and their use as a part of the reserve of National banks, also provides that not less than two-fifths of the entire reserve of such banks shall consist of lawful money of the United States. The country banks are required to have a reserve of fifteen per cent. of circulation and deposits, two-fifths of which must be in lawful money, and three-fifths of which may be in three per cent. certificates, or in cash deposits with the redemption agent selected by the bank. The banks of Boston and of the other cities designated in section thirty-one of the National Currency Act, are required to have a reserve of twenty-five per cent. of their circulation and deposits, two-fifths of which must be in

lawful money, and three-fifths of which may be in these certificates, or, if preferred, one-half of this reserve may be in cash deposits, with the Redemption Agent in New York, two-fifths in lawful money, and the remaining one-tenth in the three per cent. certificates. I am, very respectfully,

JNO. JAY KNOX, Deputy and Acting Comptroller.

CHARLES G. NAZRO, President North National Bank, Boston.

We may add to the foregoing statements that the "lawful money" required as reserve by law may consist of gold and silver coin, of greenbacks, or of Compound Notes at their face value, while under the designation of country banks are included all those outside of the cities of New York, Boston, Philadelphia, Chicago, Cincinnati, New Orleans, St. Louis, Louisville, Detroit, Milwaukee, Cleveland, Pittsburg, Baltimore, Albany, Leavenworth, San Francisco and Washington.

Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
January 5.	\$257,852,460	12,794,892	32,762,779	202,533,564	65,026,121	456,967,787
January 12.	258,935,488	14,613,477	32,825,108	202,517,608	63,246,370	603,192,006
January 19.	255,032,223	15,365,207	32,854,928	201,500,115	63,235,386	520,040,028
January 26.	251,674,801	16,014,007	32,967,198	197,952,076	63,420,559	568,822,814
February 2.	251,294,355	14,332,93	32,995,347	200,511,596	65,944,541	512,497,253
February 9.	250,288,825	16,157,257	32,777,00	198,241,885	67,628,992	508,825,532
February 16.	253,131,328	14,79,626	32,956,309	196,072,292	64,642,940	455,833,829
February 23.	257,823,994	13,513,456	33,006,141	198,430,347	63,153,895	443,574,086
March 2.	26,36,436	11,579,881	33,294,433	198,018,914	67,014,195	461,534,519
March 9.	262,114,58	10,863,122	33,409,811	200,23,537	64,523,440	544,173,256
March 16.	263,02,974	9,963,772	33,406,683	197,958,804	62,813,019	496,558,19
March 23.	259,400,315	9,43,913	33,519,401	19,375,615	60,904,958	472,02,378
March 30.	255,82,364	9,524,619	33,669,195	188,481,250	62,469,811	459,850,602
April 6.	254,470,027	8,133,813	33,774,573	183,861,269	59,021,775	531,835,184
April 13.	250,102,178	8,856,229	33,702,047	182,861,236	60,201,515	525,933,462
April 20.	247,581,731	7,622,535	33,648,571	184,090,256	64,096,916	447,814,375
April 27.	247,737,381	7,404,304	33,601,285	187,674,341	67,920,351	446,484,422
May 4.	250,871,558	9,902,177	33,571,747	195,721,073	70,587,407	559,860,118
May 11.	253,684,829	14,95,590	33,595,869	200,342,832	67,996,639	524,319,769
May 18.	247,961,874	15,567,252	33,631,301	201,436,854	63,828,501	503,675,793
May 25.	256,091,805	14,083,667	33,697,252	193,673,345	60,562,440	431,732,622
June 1.	252,791,514	14,617,070	33,747,039	190,386,143	58,459,827	442,675,585
June 8.	250,477,293	15,699,038	33,719,088	184,730,355	55,923,117	461,734,216
June 15.	246,228,465	12,656,389	33,707,199	180,817,763	57,624,294	460,968,602
June 22.	243,640,477	9,599,585	33,633,171	172,477,110	62,816,192	442,440,804
June 29.	242,547,954	7,768,996	33,542,560	186,213,257	70,174,755	493,944,365
July 6.	246,361,237	10,853,171	33,669,397	191,524,312	71,191,472	494,081,990
July 13.	247,913,009	12,715,404	33,653,869	197,872,063	72,495,708	521,259,463
July 20.	249,530,255	11,197,700	33,574,943	199,435,952	73,441,301	491,830,952
July 27.	251,243,830	8,731,094	33,596,859	200,608,886	74,605,840	481,097,226
August 3.	254,940,016	6,461,949	33,569,117	201,153,754	75,098,762	468,021,746
August 10.	253,427,340	5,311,997	33,565,878	199,408,705	76,047,431	499,868,035
August 17.	253,232,411	5,920,557	33,669,757	194,046,591	69,473,793	414,289,517
August 24.	250,697,679	6,023,535	33,736,249	188,744,101	64,960,630	421,496,637
August 31.	247,877,692	7,271,595	33,715,128	190,892,315	67,932,071	385,591,548
September 7.	250,224,560	7,967,619	33,708,172	195,182,114	69,657,445	441,707,385
September 14.	254,169,587	8,184,946	34,015,228	193,086,775	65,116,903	514,088,723
September 21.	254,794,667	8,617,498	34,056,442	185,603,939	57,709,385	592,142,360
September 28.	251,918,751	9,496,163	34,147,369	181,439,410	55,991,526	600,688,710
October 5.	247,934,369	9,368,603	34,025,521	178,447,422	56,853,585	570,187,624
October 12.	247,833,133	9,608,771	36,006,541	177,138,634	56,114,922	555,512,270
October 19.	247,553,911	7,319,010	34,057,460	173,438,375	54,815,832	588,162,707
October 26.	246,810,713	6,161,164	33,959,080	173,064,123	56,381,913	511,792,657
November 2.	247,227,488	8,974,535	34,037,076	173,209,724	57,396,067	481,356,278

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 5.	\$20,209,064	52,312,317	903,663	10,388,820	41,308,327
January 12.	20,006,255	52,528,491	903,820	10,380,577	41,023,421
January 19.	19,448,099	53,458,307	877,548	10,381,593	30,048,645
January 26.	19,363,374	52,168,473	880,582	10,384,633	39,001,779
February 2.	19,269,128	55,35,180	871,564	10,430,818	39,592,712
February 9.	19,659,250	52,384,329	873,614	10,449,982	39,611,595
February 16.	18,892,747	52,573,130	867,110	10,522,972	40,050,717
February 23.	17,837,598	52,394,721	841,223	10,536,434	38,646,013
March 2.	18,150,657	51,979,173	816,843	10,511,600	39,367,383
March 9.	17,521,705	51,851,463	832,755	10,572,068	37,314,672
March 16.	16,965,613	50,518,294	868,022	10,580,911	37,826,001

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
March 23.....	16,071,780	50,572,400	807,438	10,611,987	34,561,545
March 30.....	15,856,948	50,880,306	602,148	10,631,632	34,150,285
April 6.....	15,882,745	50,998,231	64,719	10,651,615	33,796,595
April 13.....	16,188,407	51,283,776	546,625	10,645,367	34,327,683
April 20.....	16,582,296	51,611,441	485,535	10,647,234	35,820,580
April 27.....	16,737,011	51,890,959	382,817	10,638,021	36,234,870
May 4.....	17,196,558	53,054,267	386,053	10,639,695	37,371,064
May 11.....	17,278,919	53,474,388	408,762	10,627,953	38,172,169
May 18.....	16,770,491	53,826,320	402,978	10,630,631	38,230,633
May 25.....	16,019,186	53,536,170	369,133	10,635,520	37,778,783
June 1.....	16,881,109	53,747,308	334,393	10,637,432	37,382,144
June 8.....	16,880,720	53,158,124	246,615	10,642,120	37,252,614
June 15.....	16,300,010	53,192,049	248,261	10,646,298	37,174,269
June 22.....	15,964,424	52,968,441	373,368	10,642,224	37,333,179
June 29.....	16,105,611	52,528,963	263,187	10,641,311	36,616,847
July 6.....	16,922,675	52,420,272	461,951	10,641,201	37,077,451
July 13.....	16,234,914	52,802,352	419,399	10,641,770	37,885,226
July 20.....	16,608,860	53,150,569	371,744	10,637,651	38,170,418
July 27.....	16,862,112	53,104,475	333,118	10,633,750	37,291,640
August 3.....	16,733,198	53,427,840	307,155	10,615,925	38,094,543
August 10.....	15,919,195	53,117,569	314,242	10,627,761	36,861,477
August 17.....	15,767,146	53,549,449	317,979	10,628,310	36,364,825
August 24.....	16,882,816	53,399,090	314,242	10,628,324	36,459,831
August 31.....	15,717,909	53,734,687	307,658	10,626,356	36,323,355
September 7.....	16,249,658	53,776,452	279,714	10,628,794	36,458,539
September 14.....	16,060,733	53,792,203	252,691	10,628,737	36,263,247
September 21.....	15,845,482	53,540,501	228,528	10,628,744	35,327,203
September 28.....	15,513,794	53,655,569	272,535	10,629,976	35,152,605
October 5.....	15,537,404	53,041,100	258,303	10,627,921	36,494,213
October 12.....	15,027,413	52,917,057	246,714	10,628,396	34,843,942
October 19.....	14,917,002	53,020,288	237,125	10,635,015	34,236,604
October 26.....	14,947,184	52,571,552	217,746	10,634,907	33,531,465
November 2.....	15,019,854	52,584,077	213,590	10,640,820	33,604,011

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation.	State.
January 7.....	\$97,009,742	1,183,451	17,033,387	40,824,618	24,580,367	312,664
January 14.....	98,417,778	1,334,300	16,829,185	40,246,216	24,997,446	311,749
January 21.....	95,293,982	1,078,160	16,591,999	38,679,604	24,275,162	301,911
January 28.....	97,891,329	1,058,329	16,816,481	39,219,241	24,716,597	302,298
February 4.....	97,742,461	956,569	16,394,604	39,708,053	24,691,075	306,014
February 11.....	97,264,162	873,396	16,102,479	39,474,359	24,686,663	305,603
February 18.....	96,949,473	929,940	15,398,333	38,900,050	24,765,420	305,603
February 25.....	95,331,900	779,492	15,741,046	37,893,963	24,953,605	303,228
March 4.....	95,059,727	933,887	15,918,103	38,316,573	24,675,767	301,430
March 11.....	92,078,975	695,447	15,719,479	36,712,052	24,346,631	289,518
March 18.....	93,156,486	568,941	16,270,979	36,751,733	24,809,525	299,133
March 25.....	92,661,060	516,184	16,557,905	36,751,725	24,728,722	299,091
April 1.....	91,723,347	435,113	17,124,423	37,056,388	24,843,376	296,025
April 8.....	91,679,549	456,751	16,860,418	37,258,775	24,851,522	296,011
April 15.....	91,712,414	376,343	16,815,355	37,318,525	24,838,819	287,205
April 22.....	92,472,815	343,712	16,549,598	38,207,548	24,852,200	286,701
April 29.....	92,353,922	329,854	16,926,564	37,837,092	24,811,437	284,982
May 6.....	92,671,149	519,878	16,571,736	38,721,769	24,784,332	283,806
May 13.....	92,428,114	517,597	16,562,421	38,504,761	24,808,992	283,514
May 20.....	92,633,587	507,806	16,499,319	37,574,852	24,838,469	283,491
May 27.....	92,228,677	441,072	16,883,361	37,132,051	24,805,860	280,961
June 3.....	92,694,925	571,526	17,173,901	37,016,894	24,725,794	279,275
June 10.....	93,436,167	496,767	16,767,854	36,033,716	24,804,153	268,768
June 17.....	93,725,428	511,095	15,719,795	36,089,933	24,771,778	271,048
June 24.....	92,951,163	470,544	15,758,396	36,521,129	24,768,947	267,294
July 1.....	92,996,703	617,456	16,055,141	37,475,337	24,727,313	266,353
July 8.....	94,747,778	915,298	15,065,466	38,251,040	24,801,823	266,494
July 15.....	95,046,458	833,466	15,397,828	38,640,431	24,771,683	264,922
July 22.....	95,096,511	650,203	15,427,625	38,323,613	24,744,291	252,696
July 29.....	95,594,214	261,873	15,543,401	38,548,722	24,653,742	256,562
August 5.....	96,367,558	472,045	15,511,084	38,398,150	24,655,075	263,250
August 12.....	97,098,873	412,217	15,196,701	38,283,576	24,670,852	268,672
August 19.....	96,901,687	363,127	14,697,154	36,902,686	24,613,921	262,507
August 26.....	96,945,487	396,576	15,175,423	35,700,624	24,707,736	261,963
September 2.....	97,019,818	400,680	15,296,583	35,810,808	24,734,146	260,577
September 9.....	97,726,719	510,564	14,674,569	35,966,160	24,783,967	252,740
September 16.....	97,922,483	453,029	13,423,822	35,660,369	24,817,759	259,723
September 23.....	97,022,167	467,016	12,864,108	35,198,755	24,801,364	251,122
September 30.....	96,409,055	452,399	12,987,468	34,933,686	24,860,394	253,523
October 7.....	95,177,109	417,073	13,046,359	35,294,823	24,855,565	249,299
October 14.....	94,762,617	478,161	13,512,652	35,989,155	24,806,209	253,370
October 21.....	95,335,48	444,811	13,603,131	36,836,869	24,717,584	252,770
October 28.....	95,902,146	389,343	13,908,546	37,361,818	24,678,016	263,323
November 4.....	96,188,408	519,123	14,227,413	37,379,191	24,598,469	236,661

THE BOOK TRADE.

An Essay on Man. BY ALEXANDER POPE—With fifteen original illustrations, and Notes by S. R. Wells. One vol., 12mo, fancy cloth, beveled boards, gilt, \$1; paper, 50 cents.

Whatever may be said by theologians concerning the orthodoxy of this great poet's religious views, his *ESSAY ON MAN* will continue to be regarded one of the master-pieces of English verse, and will attract the attention of and instruct the intelligent and thoughtful.

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MERCANTILE.
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 Lewis Audendried & Co.—110 Broadway—Anthracite and Bituminous Coal.
 A. B. Sands & Co.—139-141 William St.—Drugs
 Duryea's Maizena—166 Fulton street.
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 Ninth National Bank—336 Broadway.
 Ninth National Bank—363 Broadway.

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 Gilmore, Dunlap & Co.—Cincinnati.
 DeWitt, Kittle & Co.—88 Wall St.
 Vermilye & Co.—44 Wall St.
 Eugene Kelly & Co.—36 Wall St.
 Simon De Visser—52 Exchange Place.
INSURANCE.
 Fidelity Insurance Co.—17 Broadway.
 Marine—Great Western Insurance Co.
 Fire—Hope Fire Ins. Co.—90 Broadway.